STAVELY MINERALS LIMITED
ACN 119 826 907

PROSPECTUS

For an offer of up to 30,000,000 Shares at an issue price of $0.20 per Share to raise up to $6,000,000.

Oversubscriptions of up to a further 10,000,000 Shares at an issue price of $0.20 per Share to raise up to a further $2,000,000 may be accepted.

IMPORTANT INFORMATION

This is an important document that should be read in its entirety. If you do not understand it you should consult your professional advisers without delay. **The Shares offered by this Prospectus should be considered highly speculative.**

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1. CORPORATE DIRECTORY

Directors

William Plyley
Independent Non-executive Chairman

Christopher Cairns
Managing Director

Jennifer Murphy
Technical Director

Peter Ironside
Non-executive Director

Registered Office

First Floor
168 Stirling Highway
Nedlands WA 6009

Telephone: + 61 8 9287 7630
Facsimile: +61 8 9389 1750

Email: info@stavely.com.au
Website: www.stavely.com.au

Company Secretary

Amanda Sparks

Share Registry*

Computershare Investor Services
Level 2, 45 St Georges Terrace
Perth WA 6000

Telephone: +61 8 9323 2000
Facsimile: +61 8 9323 2033

Proposed ASX Code

SVY

Lead Manager of the Offer and manager of the ASX Bookbuild Facility

Morgans Corporate Limited
Level 29, 123 Eagle Street
Brisbane QLD 4000

Telephone: 13 42 26

Solicitors

Steinepreis Paganin
Level 4, The Read Buildings
16 Milligan Street
Perth WA 6000

Investigating Accountant

BDO Corporate Finance (WA) Pty Ltd
38 Station Street
Subiaco WA 6008

Independent Geologist

CSA Global Pty Ltd
Level 2, 3 Ord Street
West Perth WA 6005

Auditor

BDO Audit (WA) Pty Ltd
38 Station Street
Subiaco WA 6008

* This entity is included for information purposes only. It has not been involved in the preparation of this Prospectus.

2. IMPORTANT NOTICE

This Prospectus is dated 17 March 2014 and was lodged with the ASIC on that date. The ASIC and its officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No Shares may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

No person is authorised to give information or to make any representation in connection with this Prospectus, which is not contained in the Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

It is important that you read this Prospectus in its entirety and seek professional advice where necessary. The Shares the subject of this Prospectus should be considered highly speculative.

2.1 Exposure Period

This Prospectus will be circulated during the Exposure Period. The purpose of the Exposure Period is to enable this Prospectus to be examined by market participants prior to the raising of funds. You should be aware that this examination may result in the identification of deficiencies in this Prospectus and, in those circumstances, any application that has been received may need to be dealt with in accordance with Section 724 of the Corporations Act. Applications for Shares under this Prospectus will not be processed by the Company until after the expiry of the Exposure Period. No preference will be conferred on applications lodged prior to the expiry of the Exposure Period.

2.2 Web Site – Electronic Prospectus

A copy of this Prospectus can be downloaded from the website of the Company at www.stavely.com.au. If you are accessing the electronic version of this Prospectus for the purpose of making an investment in the Company, you must be an Australian resident and must only access this Prospectus from within Australia.

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. You may obtain a hard copy of this Prospectus free of charge by contacting the Company.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

2.3 Website

No document or information included on our website is incorporated by reference into this Prospectus.

2.4 Forward-looking statements

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of our Company, the Directors and our management.

We cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

We have no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

These forward looking statements are subject to various risk factors that could cause our actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 7 of this Prospectus.

2.5 Photographs and Diagrams

Photographs used in this Prospectus which do not have descriptions are for illustration only and should not be interpreted to mean that any person shown endorses the Prospectus or its contents or that the assets shown in them are owned by the Company. Diagrams used in this Prospectus are illustrative only and may not be drawn to scale.

2.6 Consent of competent persons

The information in the Investment Overview section included at Section 3 of this Prospectus and the Company and Project Overview included at Section 6 (including Appendix 3) of this Prospectus, which relates to Exploration Targets and Exploration Results, is based on information compiled by Mr Christopher Cairns, a Competent Person who is a Member of the Australian Institute of Geoscientists.

Mr Cairns is the full-time Managing Director of the Company, and holds securities in the Company as set out in Section 3.17 of this Prospectus.

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 (the JORC Code, 2012)'. Mr Cairns consents to the inclusion of the information in these sections of the Prospectus based on his information in the form and context in which it appears.

The information in the Investment Overview section included at Section 3 of this Prospectus and the Company and Project Overview included at Section 6 (including Appendices 1 & 2) of this Prospectus, which relates to Mineral Resources, is based on information compiled by Mr

Duncan Hackman, a Competent Person who is a Member of the Australian Institute of Geoscientists.

Mr Hackman is employed by Hackman and Associates Pty Ltd.

Mr Hackman 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 (the JORC Code, 2012)'. Mr Hackman consents to the inclusion of the information in these sections of the Prospectus based on his information in the form and context in which it appears.

3. INVESTMENT OVERVIEW

This section is a summary only and not intended to provide full information for investors intending to apply for Shares offered pursuant to this Prospectus. This Prospectus should be read and considered in its entirety.

3.1 The Company

The Company was incorporated on 23 May 2006 for the primary purpose of acquiring early to advanced stage exploration projects with demonstrated high potential for additional discovery. Stavely Minerals is owned and managed by members of the former Integra Mining Limited management team who have a track record of discovery, development and value creation.

3.2 Business Model

Pursuant to the Asset Sale Agreement, the Company acquired the Stavely and Ararat Projects, which include exploration tenements with a total area of 193 square kilometres in Victoria (**Projects**), from BCD Metals in May 2013. Subsequently the Company has made applications for an additional 583 square kilometres of tenure in the area, of which 490 square kilometres have been granted.

The Stavely and Ararat Projects are prospective for Volcanogenic Massive Sulfide (**VMS**) copper-gold-zinc-silver, porphyry copper-gold, epithermal gold and Stawell-style gold deposits, with drill intercepts confirming the existence of each of these styles of mineralisation within the Projects.

At the Ararat Project, the Board believes that drilling of the coincident soil geochemistry electromagnetic (**EM**) targets along strike of the existing Mt Ararat VMS-style Mineral Resource has excellent potential to provide material resources upside, while the Langi Logan prospect (Stawell Gold Mine look-alike) provides the blue-sky potential in gold. The Stavely Project offers a unique opportunity to get entry level access to one of the most significant porphyry copper-gold exploration opportunities in Australia since the discoveries of the Cadia Valley and North Parkes copper-gold porphyry deposits.

Investors are cautioned that the proposed drilling programmes at Mt Ararat, Langi Logan and Stavely are seeking to discover additional mineralised zones which are conceptual in nature and there has been insufficient exploration to estimate a Mineral Resource (except where explicitly stated that a Mineral Resource has been estimated) and that it is uncertain if further exploration will result in additional Mineral Resources estimates.

Following the fund-raising the Company plans to immediately commence a Phase 1 exploration drilling programme at Mt Ararat VMS, and, subject to raising more than the minimum subscription, to commence Phase 1 exploration drilling programmes at Stavely and the Langi Logan prospect, as well as additional geophysical programmes. Subsequently, Phase 1 follow-up drilling and Phase 2 drilling of additional VMS, porphyry and gold targets will be conducted.

A summary of the Projects is set out in Section 6.2 of this Prospectus and more detailed information is included in the Independent Geologist's Report in Section 8 of this Prospectus.

A summary of the Asset Sale Agreement is set out in the Solicitor's Report on Tenements in Section 10 of this Prospectus.

3.3 The Objectives

The Company's main objectives on completion of the Offer are:

- undertake a detailed and intensive, two year exploration programme on the Tenements with the aim of defining new Mineral Resources and extending existing Mineral Resources. The majority of the funds raised by the Offer will be used to undertake reverse circulation and diamond drilling;
- facilitate the listing of the Company on the ASX; and
- meet the ongoing administration costs of the Company.

3.4 Key Investment Highlights

(a) Exploration success

(i) Stavely Minerals is managed and directed by members of the former Integra Mining Limited management team with a strong track record of discovery, mine development and value creation.

(ii) The Company will leverage off the management and Board's extensive industry experience to create value for the shareholders.

(iii) Information concerning the Company's Board and management is set out in Section 11 of this Prospectus.

(b) Existing Resources

(i) In the Ararat Project, the Mt Ararat prospect hosts a Besshi-style VMS deposit with an estimated Inferred Resource (using a 1% Cu lower cut-off) of 1.2Mt at 2.0% copper, 0.5 g/t gold, 0.4% zinc and 6 g/t silver for a contained 24kt of copper, 18,000 ounces of gold, 4.8kt of zinc and 200,000 ounces of silver.

(ii) In the Stavely Project, the Thursday's Gossan prospect is a near surface secondary chalcocite enriched blanket with an estimated Inferred Resource (using a 0.2% Cu lower cut-off) of 28 Mt at 0.4% copper for 110kt of contained copper.

(iii) A detailed breakdown of the Mineral Resources, including descriptions of lower cut off grades, is shown in Table 1 and Table 2 in Section 6.2, for the Mt Ararat and Thursday's Gossan deposit, respectively.

(c) Focussed Exploration

(i) The Tenements that make up the Ararat, Stavely and Mortlake Projects are 100% owned by Stavely Minerals and are located on predominantly freehold land.

(ii) The Mt Ararat VMS deposit has coincident anomalous soil copper and zinc geochemistry and ground electro-magnetic conductors to the north of the existing deposit which are largely untested by previous drilling. The prospective VMS copper-gold horizon extends over 15 kilometres within Stavely Minerals' tenements and is very lightly explored.

(iii) The Thursday's Gossan area hosts a major hydrothermal alteration system with copper-gold mineralisation over a 10 kilometre long corridor. Stavely Minerals believes the technical evidence indicates there is significant porphyry copper-gold mineralisation potential at depth.

(iv) The Langi Logan prospect is a Stawell Gold Mine look-alike target in sulphidic sediments proximal to a basalt dome contact with significant untested exploration potential.

(v) For the two year period commencing on completion of the Offer, Stavely Minerals' management will be focussed on exploring the Ararat and Stavely Projects. The funds raised from the Offer will be spent on targeted drilling programmes at Mt Ararat extensions, Thursday's Gossan deep porphyry target, the Langi Logan gold target and a number of other regional targets.

(vi) In excess of 7,000 metres of RC drilling and 6,600, metres of Diamond core drilling has been planned.

(d) Copper Price Outlook

Copper supply is forecast to reduce while demand is forecast to increase leading to a potential supply deficit (Wood Mackenzie, Q3, 2013).

(e) Availability of existing infrastructure

(i) The Ararat and Stavely Projects are close to infrastructure and services required to explore and exploit any minerals found on the Tenements.

(ii) Excellent local infrastructure includes accessibility via two highways, proximity to a railway to port which runs through the Stavely Project, a 62MW wind farm is located 8 kilometres from the Stavely Project and proximity to regional centres where an experienced workforce and associated services are based.

3.5 Key Risks

The business, assets and operations of the Company are subject to certain risk factors that have the potential to influence the operating and financial performance of the Company in the future. These risks can impact on the value of an investment in the securities of the Company.

The Board aims to manage these risks by carefully planning its activities and implementing risk control measures. Some of the risks are, however, highly unpredictable and the extent to which they can effectively manage them is limited.

Set out below are the key risks that the Board considers the Company is exposed to. Further risks associated with an investment in the Company are outlined in Section 7.

(a) Exploration success

The Tenements are at various stages of exploration, and potential investors should understand that mineral exploration and development are high-risk undertakings.

There can be no assurance that exploration of the Tenements, or any other licences that may be acquired in the future, will result in the extension of existing Mineral Resources or the definition of additional Mineral Resources, or that the exploration tonnage estimates and conceptual project developments discussed in this Prospectus

are able to be achieved. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited.

In the event that exploration programmes prove to be unsuccessful this could lead to a diminution in the value of the Tenements, a reduction in the case reserves of the Company and possible relinquishment of the Tenements.

The exploration costs of the Company described in the Independent Geologist's Report are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the Company's viability.

Further, if the Company raises no more than the minimum subscription of $5,000,000, the Company intends to limit its near term exploration programmes to the Mt Ararat Project. Near term exploration of the Stavely Project is subject to and conditional upon the Company raising more than the minimum subscription under this Prospectus, and any references in this Prospectus to exploration of the Stavely Project are to be interpreted on this basis.

(b) Reliance on key personnel

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.

(c) Limited operating history

The Company was incorporated in 2006 and has limited operating and financial history, although it should be noted that the Directors have significant operational experience. No assurances can be given that the Company will achieve commercial viability through the successful exploration and/or mining of its Tenements. Until the Company is able to realise value from its projects, it is likely to incur ongoing operating losses.

(d) Security interest

Three of the Company's key granted Tenements are subject to a security interest in favour of the vendor of those Tenements, to secure the Company's obligation to pay the deferred portion of the consideration for those Tenements. Any failure by the Company to pay the outstanding consideration, or to otherwise comply with the terms of the security interest, may result in the Company losing its interest in those Tenements, although it should be noted that upon completion of the Offer, the Company will have adequate funds to meet its obligation to pay the deferred consideration.

(e) Access risk

As identified in the Solicitor's Report on Tenements in Section 10 of this Prospectus, there are a number of third party interests which overlap areas within the Tenements, including:

(i) native title claims;

(ii) Aboriginal heritage sites; and

(iii) private land.

Under Victorian and Commonwealth legislation and other relevant agreements, the Company may be required to obtain the consent of the holders of these third party interests prior to commencing any exploration or mining activities on the affected areas within the Tenements.

Whilst the requirement to seek and obtain such consents is customary in Victoria, any delay in obtaining these consents may impact on the Company's ability to carry out exploration activities within the affected areas. It is noted that some of the areas of private land are subject to existing compensation agreements, pursuant to which the landowners have consented to activities by the current tenement holder in accordance with the agreement. Please refer to the Solicitor's Report in section 10 of this Prospectus for further details.

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company and you should refer to the additional risk factors in Section 7 of this Prospectus before deciding whether to apply for Shares pursuant to this Prospectus.

3.6 The Offer

The Company invites applications for up to 30,000,000 Shares at an issue price of $0.20 per Share to raise up to $6,000,000. The key information relating to the Offer and references to further details are set out below.

Indicative timetable[1]

Lodgement of Prospectus with the ASIC	17 March 2014
Opening Date of the Offer	26 March 2014
Bookbuild opens[2]	26 March 2014
Bookbuild closes and Share allocations advised	16 April 2014
Closing Date of the Offer	23 April 2014
Despatch of holding statements	1 May 2014
Expected date for quotation on ASX	7 May 2014

Note 1: The above dates are indicative only and may change without notice. The Company reserves the right to extend the Closing Date or close the Offer early without notice.

Note 2: The Company intends to undertake the Offer through the ASX Bookbuild Facility. Information about any changes to the key dates for the Bookbuild (including the opening and closing of the Bookbuild) will be announced to the market under the Company's ASX code, SVY. Investors are encouraged to submit their bids into the ASX Bookbuild Facility as soon as possible after the Bookbuild opens. Please refer to Section 5.4 of this Prospectus for further information about the ASX Bookbuild Facility.

3.7 Purpose of the Offer

The purpose of the Offer is to facilitate an application by the Company for admission of the Company to the Official List of ASX and position the Company to seek to achieve the objectives set out above in Section 3.3.

3.8 Use of Funds

The Company intends to apply funds raised from the Offer over the first two years following admission of the Company to the Official List of ASX as follows:

Funds available	Minimum Subscription ($) $5,000,000	Full Subscription ($) $6,000,000	Over Subscription ($) $8,000,000	Percent of Funds (%)[4]
Existing cash reserves	-	-	-	
Funds raised from the Offer	5,000,000	6,000,000	8,000,000	
Total	**5,000,000**	**6,000,000**	**8,000,000**	
Allocation of funds				
Expenses of the Offer[1]	482,635	537,465	677,125	8.9%
Final acquisition instalment[2]	500,000	500,000	500,000	8.3%
Other liabilities repaid	250,000	250,000	250,000	4.2%
Exploration Expenditure (2 years) [3]	2,567,365	3,347,535	5,207,875	55.8%
Working capital and administration costs (2 years)	1,200,000	1,365,000	1,365,000	22.8%
Total	**5,000,000**	**6,000,000**	**8,000,000**	**100%**

[1] Refer to Section 13.7 of this Prospectus for further details.

[2] This liability may be settled in Shares under certain conditions at the election of the vendor. Refer to the summary of the Asset Sale Agreement set out in the Solicitor's Report on Tenements in Section 10 of this Prospectus for further information.

[3] Refer to the Independent Geologist's Report set out in Section 8 of this Prospectus for further information on the planned exploration activities and expenditure budget for the Projects.

[4] Percent of funds based on full subscription.

On completion of the Offer, the Board believes the Company will have sufficient working capital to carry out its stated objectives as set out in Section 3.3.

The above table is a statement of current intentions as of the date of this Prospectus. As with any budget, intervening events (including exploration success or failure) and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.

3.9 Capital Structure

The capital structure of the Company following completion of the Offer is summarised below[1]:

Shares[2]

	Minimum Subscription Number	Full Subscription Number	Over Subscription Number
Shares currently on issue[3]	35,000,000	35,000,000	35,000,000
Shares to be issued pursuant to the Loan Facility Agreement[4]	15,000,000	15,000,000	15,000,000
Shares to be issued pursuant to the Offer	25,000,000	30,000,000	40,000,000
Total Shares on completion of the Offer	**75,000,000**	**80,000,000**	**90,000,000**

Options[5]

	Minimum Subscription Number	Full Subscription Number	Over Subscription Number
Options currently on issue	12,000,000	12,000,000	12,000,000
Options to be issued to Chairman, technical Director and consultants[6]	2,400,000	2,400,000	2,400,000
Total Options at day prior to listing	**14,400,000**	**14,400,000**	**14,400,000**

[1] Refer to the Investigating Accountant's Report set out in Section 9 of this Prospectus for further details.

[2] The rights attaching to the Shares are summarised in Section 13.2 of this Prospectus.

[3] The Shares currently on issue were issued between May 2006 and July 2013 (total share capital $1.7 million) to seed capital investors to fund acquisition costs, exploration activities and initial working capital requirements of the Company. These Shares were issued at a discount to the issue price of the Shares offered pursuant to the Offer to reflect the increased risk associated with an investment in the Company at the time of issue of the seed capital.

[4] These Shares are to be issued prior to the completion of the Offer to Chaka Investments Pty Ltd or its nominee in satisfaction of part repayment of a loan owing by the Company to Chaka Investments Pty Ltd, an entity of which Mr Ironside is the sole director and Mr Ironside's wife is the sole shareholder. Please refer to Section 12.3 of this Prospectus for further details of the Loan Facility Agreement.

[5] Each Option will be unquoted and is exercisable at 27 cents on or before 31 December 2017. The full terms of the Options are set out in Section 13.3 of this Prospectus.

[6] These Options will be granted prior to the Company's listing on ASX.

3.10 Substantial Shareholders

Those Shareholders holding 5% or more of the Shares on issue both as at the date of this Prospectus and on completion of the Offer (assuming full subscription of $6,000,000) are set out in the respective tables below.

As at the date of the Prospectus

Shareholder	Shares	Options	% (undiluted)	% (fully diluted)
Ironside Pty Ltd [1]	29,677,419	5,032,258	59.35%	53.90%
Goldwork Asset Pty Ltd[2]	14,677,419	5,032,258	29.35%	30.61%
Jennifer Murphy[3]	3,387,097	1,561,290	6.77%	7.68%
	47,741,935	**11,625,806**		

[1] This entity is controlled by Peter Ironside, a Director. Subject to the satisfaction of certain conditions, the Company has agreed to issue 15,000,000 Shares to Chaka Investments Pty Ltd or its nominee in satisfaction of the part repayment of a loan owed by the Company to Chaka Investments Pty Ltd (a company of which Mr Ironside is the sole director and Mr Ironside's wife is the sole shareholder). The above table assumes issue of these Shares has occurred and that the recipient is Ironside Pty Ltd or one of its associates. Please refer to Section 12.3 of this Prospectus for further details of the Loan Facility Agreement.

[2] This entity is controlled by Chris Cairns, a Director.

[3] After grant of 400,000 Options as disclosed in Section 3.9.

On completion of the Offer (assuming no existing substantial Shareholder subscribes and receives additional Shares pursuant to the Offer, and assuming full subscriptions of $6,000,000)

Shareholder	Shares	Options	% (undiluted)	% (fully diluted)
Ironside Pty Ltd [1]	29,677,419	5,032,258	37.10%	36.77%
Goldwork Asset Pty Ltd[2]	14,677,419	5,032,258	18.35%	20.88%

[1] This entity is controlled by Peter Ironside, a Director, and includes any associated entities.
[2] This entity is controlled by Chris Cairns, a Director.

The Company will announce to the ASX details of its top-20 Shareholders (following completion of the Offer) prior to the Shares commencing trading on ASX.

3.11 Restricted Securities

Subject to the Company being admitted to the Official List, certain Shares and Options on issue prior to the Offer will be classified by ASX as restricted securities and will be required to be held in escrow for up to 24 months from the date of Official Quotation. During the period in which these securities are prohibited from being transferred, trading in Shares may be less liquid which may impact on the ability of a Shareholder to dispose of his or her Shares in a timely manner.

It is estimated that 35,693,437 Shares and 14,400,000 Options will be subject to escrow as follows:

(a) 33,435,388 Shares and 12,625,806 Options for 24 months from the date of Official Quotation (held by directors); and

(b) 2,258,049 Shares and 1,774,194 Options for 12 months from the date of issue of those Shares and Options (held by non-related party seed investors).

The Company will announce to the ASX full details (quantity and duration) of the Shares and Options required to be held in escrow prior to the Shares commencing trading on ASX.

3.12 Financial Information

The Company was incorporated in 2006 and has no operating history and limited historical financial performance.

As a result, the Company is not in a position to disclose any key financial ratios other than its balance sheet which is included in the Investigating Accountant's Report set out in Section 9 of this Prospectus.

3.13 Taxation

The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for Shares under this Prospectus.

3.14 Dividend Policy

It is anticipated that significant expenditure will be incurred in the evaluation and development of the Company's Projects. These activities, together with the possible acquisition of interests in other projects, are expected to dominate the two year period following the date of this Prospectus. Accordingly, the Company does not expect to declare any dividends during that period.

Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the availability of distributable earnings and operating results and financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.

3.15 Directors and Key Personnel

William Plyley, Independent Non-executive Chairman, is a mining executive with over 35 years' operational experience in exploration, mining, processing, and management with substantial resources companies. Mr Plyley has a B.Sc. in Metallurgical Engineering and is a member of Australian Institute of Mining and Metallurgy (MAusIMM) and Graduate of Australian Institute of Company Directors (GAICD).

Christopher Cairns, Managing Director, has a First Class Honours Degree in Economic Geology and has extensive experience in the resources sector. Mr Cairns was managing director of Integra Mining Limited and oversaw the discovery of three gold deposits, the funding and construction of a new processing facility east of Kalgoorlie transforming the company from explorer to gold producer. Mr Cairns is a member of the Australian Institute of Geoscientists, a member of the JORC committee and a Board member of the Australian Prospectors and Miners Hall of Fame.

Jennifer Murphy, Technical Director, has a First Class Honours Degree in Geology and a Master of Science Degree. Ms Murphy has substantial experience in the resources sector in various geologist roles. Ms Murphy is a member of the Australian Institute of Geoscientists.

Peter Ironside, Non-executive Director, is a Chartered Accountant and business consultant with over 27 years' experience in the exploration and mining industry. He has been a director and/or company secretary of several ASX listed companies.

Amanda Sparks, Company Secretary, is a Chartered Accountant with over 25 years of resources related financial experience, both with explorers and producers. Ms Sparks has extensive experience in financial management, corporate governance and compliance for listed companies.

3.16 Corporate Governance

To the extent applicable, in light of the Company's size and nature, the Company has adopted *The Corporate Governance Principles and Recommendations (2nd Edition)* as published by ASX Corporate Governance Council (**Recommendations**).

The Company's main corporate governance policies and practices as at the date of this Prospectus are outlined in Section 11.2 of this Prospectus and the Company's compliance and departures from the Recommendations are set out in Section 11.3 of this Prospectus.

In addition, the Company's full Corporate Governance Plan is available from the Company's website (www.stavely.com.au).

3.17 Disclosure of Interests

Except as otherwise disclosed below, the Company has paid no remuneration to its Board since incorporation to the date of this Prospectus and no remuneration will be paid or accrue until such time as the Company is admitted to the Official List.

For each of the Directors, the proposed annual remuneration for the financial year following the Company being admitted to the Official List together with the relevant interest of each of the Directors in the securities of the Company as at the date of this Prospectus is set out in the table below.

Director	Remuneration (exclusive of superannuation)	Shares	Options[1]
William Plyley	$75,000	-	1,000,000[2]
Christopher Cairns	$250,000	14,677,419	5,032,258
Jennifer Murphy[3]	$150,000	3,387,097	1,561,290[4]
Peter Ironside[5]	$30,000	29,677,419[6]	5,032,258

[1] Each Option will be unquoted and is exercisable at 27 cents on or before 31 December 2017. Please refer to Section 13.3 of this Prospectus for full terms of the Options.

[2] These Options will be granted prior to listing.

[3] The Company pays consulting fees of $5,060 per month to Ms Murphy for geological services provided to the Company. The Company has paid Ms Murphy fees of $70,725 for these services since incorporation to the date of this Prospectus.

[4] Includes 400,000 Options to be granted prior to listing.

[5] The Company pays rent of $9,372 (ex GST) per month to Ironside Pty Ltd (an entity controlled by Mr Ironside) for the lease of its office premises. The Company has paid Ironside Pty Ltd rent of $102,844 since incorporation to the date of this Prospectus.

[6] The Company has agreed, subject to the satisfaction of certain conditions, to issue 15,000,000 Shares to Chaka Investments Pty Ltd or its nominee, an entity controlled by Peter Ironside, in satisfaction of the part repayment of a loan owing by the Company to Chaka Investments Pty Ltd. The above table assumes issue of these Shares has occurred. Please refer to Section 12.3 of this Prospectus for further details of the loan agreement with Chaka Investments Pty Ltd.

The Directors reserve the right to apply for Shares pursuant to this Prospectus.

3.18 Agreements with Directors or Related Parties

The Company's policy in respect to related party arrangements is:

(a) a Director with a material personal interest in a matter is required to give notice to the other Directors before such a matter is considered by the Board; and

(b) for the Board to consider such a matter, the Director who has a material personal interest is not present while the matter is being considered at the meeting and does not vote on the matter.

Executive Service Agreements

The Company has entered into executive services agreements with Christopher Cairns and Jennifer Murphy. Please refer to section 12.1 of this Prospectus for a summary of the terms of these agreements.

Letters of Appointment – Non-executive Directors

The Company has entered into a letter agreement confirming the terms of the appointment of each of William Plyley and Peter Ironside as non-executive directors. Please refer to Section 12.2 of this Prospectus for a summary of the terms of these agreements.

Loan Agreement

The Company has entered into a loan facility agreement with Chaka Investments Pty Ltd, a company of which Mr Ironside is the sole director and Mr Ironside's wife is shareholder. This agreement provides a loan facility of up to $2,500,000. The Company has agreed, subject to certain conditions, to issue 15,000,000 Shares to Chaka Investments Pty Ltd or its nominee, an entity controlled by Mr Ironside, in satisfaction of repayment of $2,000,000 of the loan facility. Please refer to Section 12.3 of this Prospectus for a summary of the terms of this agreement.

Premises

Mr Peter Ironside, Director, is a shareholder and director of Ironside Pty Ltd. Ironside Pty Ltd is a shareholder of the 168 Stirling Highway Syndicate, the entity which owns the premises which the Company occupies in Western Australia. Rental paid is at arms-length terms and conditions. Currently there is no fixed term lease agreement, and rent is paid on a month by month basis.

Deeds of indemnity, insurance and access

The Company has entered into a deed of indemnity, insurance and access with each of its Directors and the Company Secretary. Under these deeds, the Company agrees to indemnify each officer to the extent permitted by the Corporations Act against any liability arising as a result of the officer acting as an officer of the Company. The Company is also required to maintain insurance policies for the benefit of the relevant officer and must also allow the officers to inspect board papers in certain circumstances.

4. CHAIRMAN'S LETTER

Dear Investor,

It is with great pleasure that I invite you to become a shareholder of Stavely Minerals Limited.

In May 2013, Stavely completed the acquisition of the Stavely and Ararat Projects. Subsequent to the acquisition, Stavely has applied for additional exploration tenure in the region and now holds some 776 square kilometres of exploration tenements and applications. These areas are prospective for volcanogenic massive sulphide copper-gold, porphyry copper-gold and Stawell-style gold deposits.

Both the Stavely and Ararat Projects host copper and copper-gold Mineral Resources (herein reported in compliance with the 2012 JORC Code) in two different but very prospective styles of mineralisation. The Ararat Project hosts a Besshi-style volcanogenic massive sulphide deposit with an Inferred Resource of 1.2 million tonnes at 2.0% copper, 0.5 g/t gold, 0.4% zinc and 6 g/t silver. Although relatively modest in tonnage, the attractive grade of the Mt Ararat copper deposit is compelling in the context of the exploration potential for additional zones of copper-gold mineralisation – with immediate drill targets with coincident soil copper and zinc geochemistry, noted gossans and ground EM conductors identified along strike to the north of the known deposit.

The Stavely Project hosts the Thursday's Gossan secondary chalcocite-enriched copper deposit with an Inferred Resource of 28 million tonnes at 0.4% copper at shallow depth. The secondary enriched copper blanket is a product of weathering of primary porphyry copper-gold mineralisation within a 10 kilometre corridor of extensive hydrothermal alteration and copper-gold mineralisation. Since acquiring the Project, Stavely has completed analysis of the alteration mineralogy distributions in three dimensions, had all existing drill core reviewed by porphyry experts Corbett and Menzies and completed gravity, EM and IP geophysical programmes. All of this work appears to support Stavely Minerals' hypothesis that previous explorers had failed to recognise the high level of exposure of a significant hydrothermal system and there is untested potential for copper-gold porphyry mineralisation at depth. The Thursday's Gossan area is considered analogous to the Cadia Valley and North Parkes porphyry copper-gold districts at an early stage of exploration evaluation.

I have had the pleasure of working as a Non-executive Director with this management team previously at Integra Mining Limited. The team has a track record of technical excellence and exploration success leading to development of new mines in Australia and overseas which resulted in significant rewards for shareholders.

Under this Prospectus, Stavely Minerals is inviting investors to subscribe for up to 30,000,000 Shares at an Offer price of $0.20 per Share to raise up to $6,000,000. The majority of proceeds will be used to fund exploration drilling at the Ararat and Stavely Projects. An ASX listing will also provide Shareholders the opportunity to invest in the Company and improve the Company's access to capital markets.

The Company will use the on-market ASX Bookbuild Facility to allocate Shares to new investors under this Prospectus, and any broker may lodge a bid for Shares via the ASX Bookbuild Facility on behalf of any eligible applicant. By using the ASX Bookbuild Facility, the Company aims to provide greater accessibility and transparency to investors. Further information regarding the ASX Bookbuild Facility is set out in Section 5.4 of this Prospectus.

This Prospectus contains detailed information about the Offer and Stavely Minerals' business, as well as the risks of investing in the Company. I encourage you to read it carefully.

As prospective shareholders, I can provide an assurance that, as with our previous endeavours, the Board is committed to providing realistic assessments of your Company's progress. Additionally, while much of the work done by this team is of a highly technical nature, we are committed to reporting in language we believe our shareholders will understand.

On behalf of the Directors, I commend this investment opportunity to you and look forward to welcoming you as a fellow shareholder of Stavely Minerals Limited.

Yours sincerely,

William 'Bill' Plyley
Chairman
Stavely Minerals Limited

5. DETAILS OF THE OFFER

5.1 The Offer

Pursuant to this Prospectus, the Company invites applications for up to 30,000,000 Shares at an issue price of $0.20 per Share to raise up to $6,000,000.

The Company may accept oversubscriptions of up to a further $2,000,000 through the issue of up to a further 10,000,000 Shares at an issue price of $0.20 each under the Offer. The maximum amount which may be raised under this Prospectus is therefore $8,000,000.

The Shares offered under this Prospectus will rank equally with the existing Shares on issue.

5.2 Minimum subscription

If the minimum subscription to the Offer of $5,000,000 has not been raised within 4 months after the date of this Prospectus, the Company will not issue any Shares and will repay all application monies for the Shares within the time prescribed under the Corporations Act, without interest.

5.3 Applications

Applications for Shares under the Offer must be made by brokers on behalf of their clients by:

(a) submitting a bid on behalf of an eligible applicant via the ASX Bookbuild Facility using the ASX code **SVYXBB** prior the close of the Bookbuild; and

(b) delivering a corresponding Application Form to the Company's Share Registry prior to the close of the Bookbuild.

An allocation of Shares resulting from a bid made through the ASX Bookbuild Facility will be binding on the applicant. Further information on the ASX Bookbuild Facility is set out in Section 5.4 below.

Applications for Shares must be for a minimum of 10,000 Shares and thereafter in multiples of 500 Shares.

Payment for the allocated Shares must be made in full at the issue price of $0.20 per Share at the time of settlement of the Share issue in accordance with standard Delivery versus Payment (**DvP**) procedures.

Any persons interested in applying for Shares pursuant to this Prospectus should:

(a) contact their broker; or

(b) contact Morgans Corporate Limited by telephone on 13 42 26.

The Company reserves the right to vary the opening and closing dates of the Bookbuild, and to close the Offer early. Any changes to the key dates of the Bookbuild or the Offer will be announced via the Company's ASX announcements platform under the code **SVY**.

5.4 ASX Bookbuild Facility

The ASX Bookbuild Facility is an automated on-market bookbuild facility operated by ASX. The ASX Bookbuild Facility commenced operation in October 2013 and allows issuers to conduct an on-market bookbuild using ASX infrastructure.

The Company has appointed Morgans Corporate Limited to manage the Bookbuild on behalf of the Company.

All eligible retail and wholesale investors will be able to bid for Shares offered pursuant to this Prospectus by participating in the ASX Bookbuild Facility via their brokers or the Lead Manager. Further information about applying for Shares is set out in Section 5.3 above**.**

To participate in the ASX Bookbuild Facility, an investor must enter into a one-off ASX Bookbuild Client Agreement with their broker. This agreement will allow the investor to participate in any bookbuild conducted via the ASX Bookbuild Facility for which the investor is eligible. For further information regarding the ASX Bookbuild Client Agreement, please contact your broker.

Once the ASX Bookbuild Client Agreement has been executed, an eligible investor may instruct their broker to submit a bid into the ASX Bookbuild Facility on their behalf. Where an investor receives an allocation of securities as a result of a bid entered on their behalf by the broker, the investor is obliged to subscribe for the number of securities allocated to the investor. Brokers will be notified of security allocations upon the closing of the Bookbuild.

The Company will make important announcements about the Bookbuild via the ASX announcements platform under the Company's ASX code, **SVY.** These announcements are available on the ASX website.

In conjunction with the Lead Manager, the Company has determined that the initial key parameters of the Bookbuild shall include the following:

Offer type	Volume
Volume to be raised	25,000,000 Shares[1]
Price	$0.20[2]
First Priority Offer Percentage	75%
Minimum Market Allocation Percentage	25%

Notes:

1. This represents the initial number of Shares to be offered via the ASX Bookbuild Facility. The Company, in conjunction with the Lead Manager, reserves the right to increase this number during the Bookbuild period up to a maximum of 40,000,000 Shares.

2. The issue price of Shares offered pursuant to this Prospectus is a fixed price of $0.20.

As noted in the table above, up to 75% of the Shares issued under this Prospectus will be allocated to priority bids made via the Lead Manager. A minimum of 25% of the Shares issued under this Prospectus shall be allocated to on-market bids made via other brokers and non-priority bids made via the Lead Manager.

In the event that the Offer is oversubscribed:

(a) applications made via priority bids submitted by the Lead Manager (which shall be capped at a maximum of 30,000,000 Shares) will be allocated in full; and

(b) applications made via non-priority bids submitted by the Lead Manager and on-market bids submitted by other brokers will be scaled back on a pro rata basis. Any allocations of less than 10,000 Shares (after the pro rata scale back) will be pooled and applicants allocated 10,000 Shares each on a time-priority basis, until the pool of

Shares is exhausted. A bidder that does not receive 10,000 Shares as a result of the time-priority allocation process will be scaled-back to zero.

Further information for investors about the ASX Bookbuild Facility can be found at www.asx.com.au/documents/professionals/bookbuild-investor-information-sheet.pdf.

5.5 ASX listing

Application for Official Quotation by ASX of the Shares offered pursuant to this Prospectus will be made within 7 days after the date of this Prospectus.

If the Shares are not admitted to Official Quotation by ASX before the expiration of 3 months after the date of issue of this Prospectus, or such period as varied by the ASIC, the Company will not issue any Shares and will repay all application monies for the Shares within the time prescribed under the Corporations Act, without interest.

The fact that ASX may grant Official Quotation to the Shares is not to be taken in any way as an indication of the merits of the Company or the Shares now offered for subscription.

5.6 Issue

Subject to the minimum subscription to the Offer being reached and ASX granting conditional approval for the Company to be admitted to the Official List, issue of Shares offered by this Prospectus will take place as soon as practicable after the Closing Date.

Payment for the Shares allocated to successful applicants via the ASX Bookbuild Facility (at the issue price of $0.20 per Share) must be made via DvP settlement at the time of issue of the Shares.

Allocations for Shares will be determined using the ASX Bookbuild Facility in accordance with the parameters announced via the ASX announcements platform under the Company's ASX code, **SVY**. To the extent permitted by the rules of the ASX Bookbuild Facility, the Company reserves the right to change these parameters during the term of the Bookbuild.

The Directors reserve the right to reject any application if they believe the application does not comply with applicable laws or regulations.

5.7 Applicants outside Australia

This Prospectus does not, and is not intended to, constitute an offer in any place or jurisdiction, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

No action has been taken to register or qualify the Shares or otherwise permit a public offering of the Shares the subject of this Prospectus in any jurisdiction outside Australia. Applicants who are resident in countries other than Australia should consult their professional advisers as to whether any governmental or other consents are required or whether any other formalities need to be considered and followed.

If you are outside Australia it is your responsibility to obtain all necessary approvals for the issue of the Shares pursuant to this Prospectus. The submission of a bid for Shares via the ASX Bookbuild Facility will be taken by the Company to constitute a representation and warranty by you that all relevant approvals have been obtained.

5.8 Not underwritten

The Offer is not underwritten.

5.9 Commissions payable

The Company will pay a fee to the Lead Manager of 5% (ex GST) of the total amount raised under the Prospectus.

The Lead Manager will pay a fee of 4% (ex GST) of the dollar value of each allocation to the participant broker identified by the Participant Identification (**PID**) associated with each successful allocation of Shares via the ASX Bookbuild Facility. Payment will be subject to the receipt of a proper tax invoice from the relevant participant broker.

6. COMPANY AND PROJECT OVERVIEW

6.1 Background

Stavely Minerals is a mineral exploration company formed to acquire early to advanced stage exploration projects with demonstrated high potential for additional discovery.

Stavely Minerals was founded and is operated by members of the former Integra Mining Limited management team with a track record of discovery and value creation.

In January 2013, Stavely Minerals (previously Northern Platinum) agreed to purchase the Ararat and Stavely Projects from BCD Metals Pty Ltd (a subsidiary of BCD Resources NL) (**BCD Metals**). The Asset Sale Agreement between the Company and BCD Metals in respect of this acquisition was executed on 25 March 2013 and completion of the acquisition occurred on 17 May 2013.

Refer to the Independent Geologist's Report in Section 8 of this Prospectus for more detailed information on the Projects.

6.2 The Projects

(a) Location, Tenure and Infrastructure

The Ararat and Stavely Projects are located approximately 200 kilometres west of Melbourne and are respectively just west of the regional centre of Ararat, Victoria and just east of the regional town of Glenthompson (Figure 1).

The Projects include exploration tenements with a total area of 193 square kilometres. The Company has made applications for an additional 583 square kilometres of tenure of which 490 square kilometres has been granted, however, some of the outstanding applications are in competition with applications made by other companies. The total area owned and applied for by the Company is 776 square kilometres. The Projects have excellent infrastructure and access with paved highways, port connection by railroad and a 62 MW wind farm located 8 kilometres from the Stavely Project. The primary land use is grazing and broad acre cropping.

The tenements held by Stavely Minerals are as follows:

Area Name	Tenement	Grant Date/ (Application Date)	Size (Km^2)
East Ararat	ELA 5477	(26 April 2013)	86
Mt Ararat	EL 3019	21 December 1989	42
Ararat	EL 4758	29 January 2004	12
Stavely	EL 4556	5 April 2001	139
Mortlake	EL 5470	17 June 2013	475
Glenthompson	EL 5471	17 June 2013	15
Mt Ararat	ELA 5486	(21 June 2013)	2
Mt Ararat	ELA 5487	(21 June 2013)	5
Ararat	RLA 2011	(14 August 2013)	11

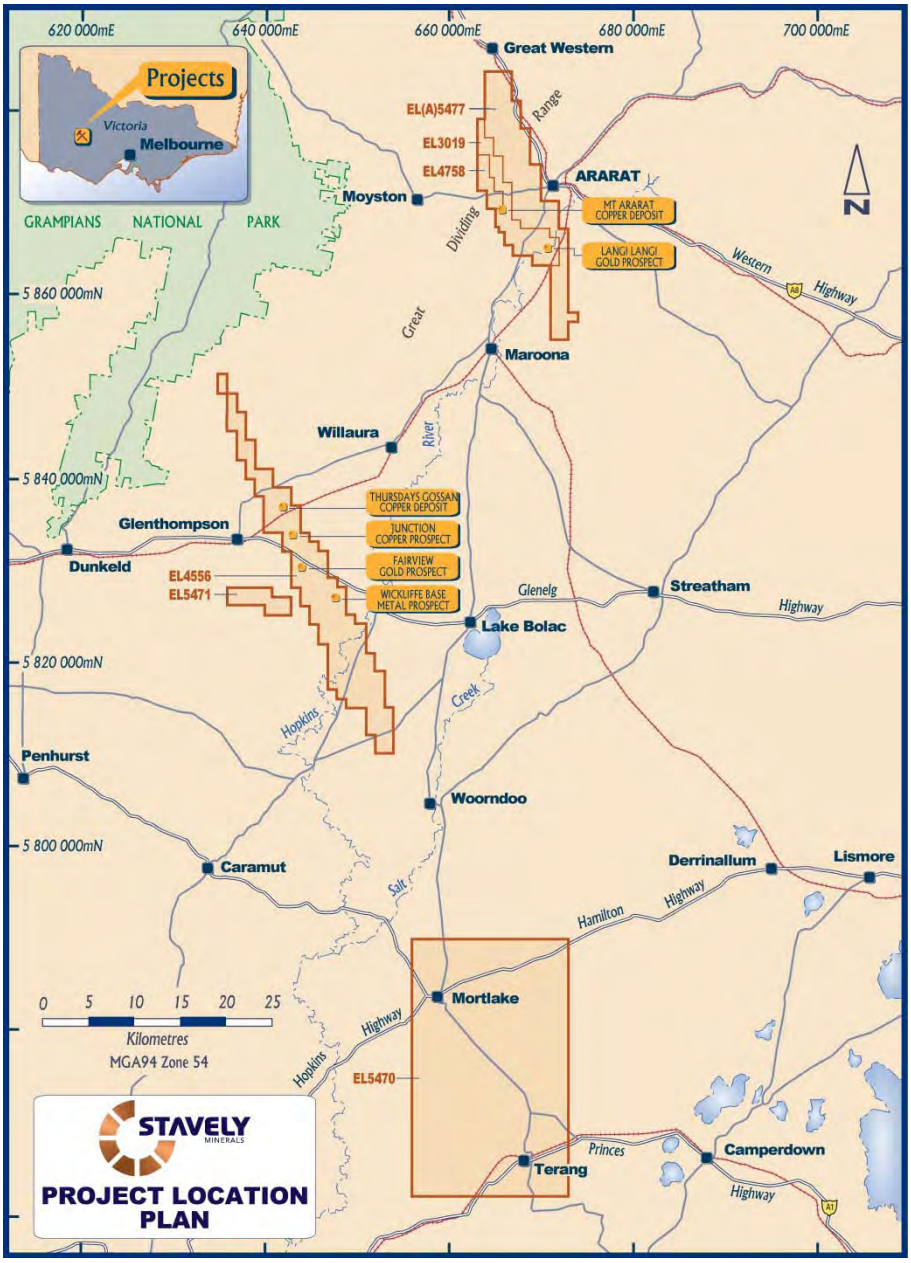

Figure 1. Map of the tenements making up the Ararat and Stavely Projects

(b) Regional Geology

The Ararat and Stavely Projects, while only 40 kilometres apart, are hosted within materially different geologic domains (Figure 2).

The Ararat Project is hosted in the Stawell – Bendigo zone of the Lachlan Fold Belt and is comprised of Cambrian mafic volcanic and pelitic sedimentary units of the Moornambool Metamorphics which were metamorphosed to greenschist to amphibolite facies during the Silurian period.

The Stavely Project is hosted in Cambrian aged Delamerian Orogeny submarine mafic and intermediate volcanics and tuffs which were overlain by quartz-rich turbidite sequences of the Glenthompson Sandstone. These sequences were deformed in the late-Cambrian.

The Lachlan Fold Belt and Delamerian sequences are in fault contact through large-scale thrusting along the east dipping Moyston Fault (Cayley and Taylor, 2001).

Unconformably lying on top of both these domains by low-angle décollement is a structural outlier of the younger Silurian fluvial to shallow marine sandstone to mudstone sequences of the Grampians Group.

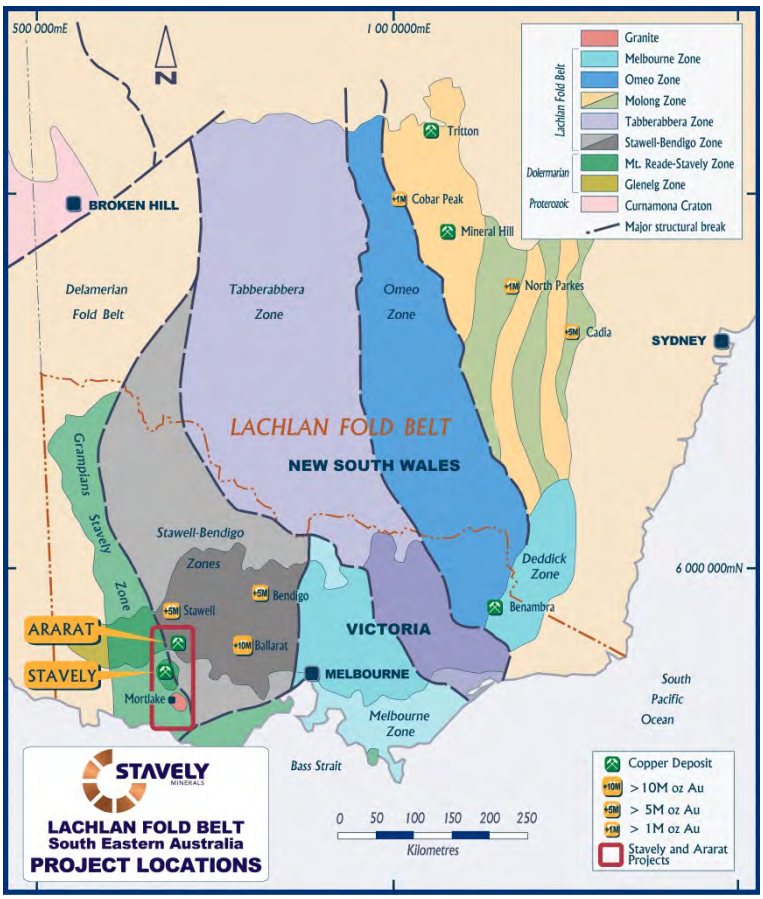

Figure 2. Geology of south-eastern Australia.

6.3 Mineral Resources

The Ararat and Stavely Projects host Mineral Resources reported in compliance with the 2012 JORC Code:

(a) Ararat Project Mineral Resource

In the Ararat Project, the Mount Ararat prospect hosts a Besshi-style VMS deposit with an estimated (using a 1% Cu lower cut-off) – **1.2Mt at 2.0% copper, 0.5 g/t gold, 0.4% zinc and 6 g/t silver for a contained 24kt of copper, 18,000 ounces of gold, 4.8kt of zinc and 200,000 ounces of silver** (Table 1).

Table 1: The Mount Ararat Inferred Resource Estimate:

Mount Ararat 2013 Inferred Resource (JORC, 2012 Edition)						
Reporting Cut (Cu%)	**Mineralisation**	**Tonnes (KT)**	**Cu (%)**	**Au (ppm)**	**Ag(ppm)**	**Zn (%)**
0.5	Oxide/Weathered	310	1.5	0.4	2.9	0.2
	Supergene	80	2.3	0.5	4.7	0.3
	Primary >=2m	290	2.3	0.5	6.4	0.5
	Primary <2m	770	1.7	0.4	5.7	0.4
	Total Inferred	**1450**	**1.8**	**0.4**	**5.2**	**0.3**
1.0	Oxide/Weathered	220	1.7	0.4	3.2	0.2
	Supergene	80	2.5	0.5	4.9	0.3
	Primary >=2m	280	2.4	0.6	6.6	0.5
	Primary <2m	620	1.9	0.5	6.3	0.4
	Total Inferred	**1200**	**2.0**	**0.5**	**5.7**	**0.4**
2.0	Oxide/Weathered	70	2.6	0.7	4.7	0.2
	Supergene	50	2.9	0.7	5.3	0.3
	Primary >=2m	140	3.1	0.8	7.3	0.5
	Primary <2m	160	2.9	0.6	8.6	0.6
	Total Inferred	**420**	**2.9**	**0.7**	**7.1**	**0.5**

Table shows rounded estimates. This rounding may cause apparent computational discrepancies. Significant figures do not imply precision. Nominal copper grade reporting cuts applied. Four material types reported as varied economic factors will be applicable to the deposit base on reported material types.

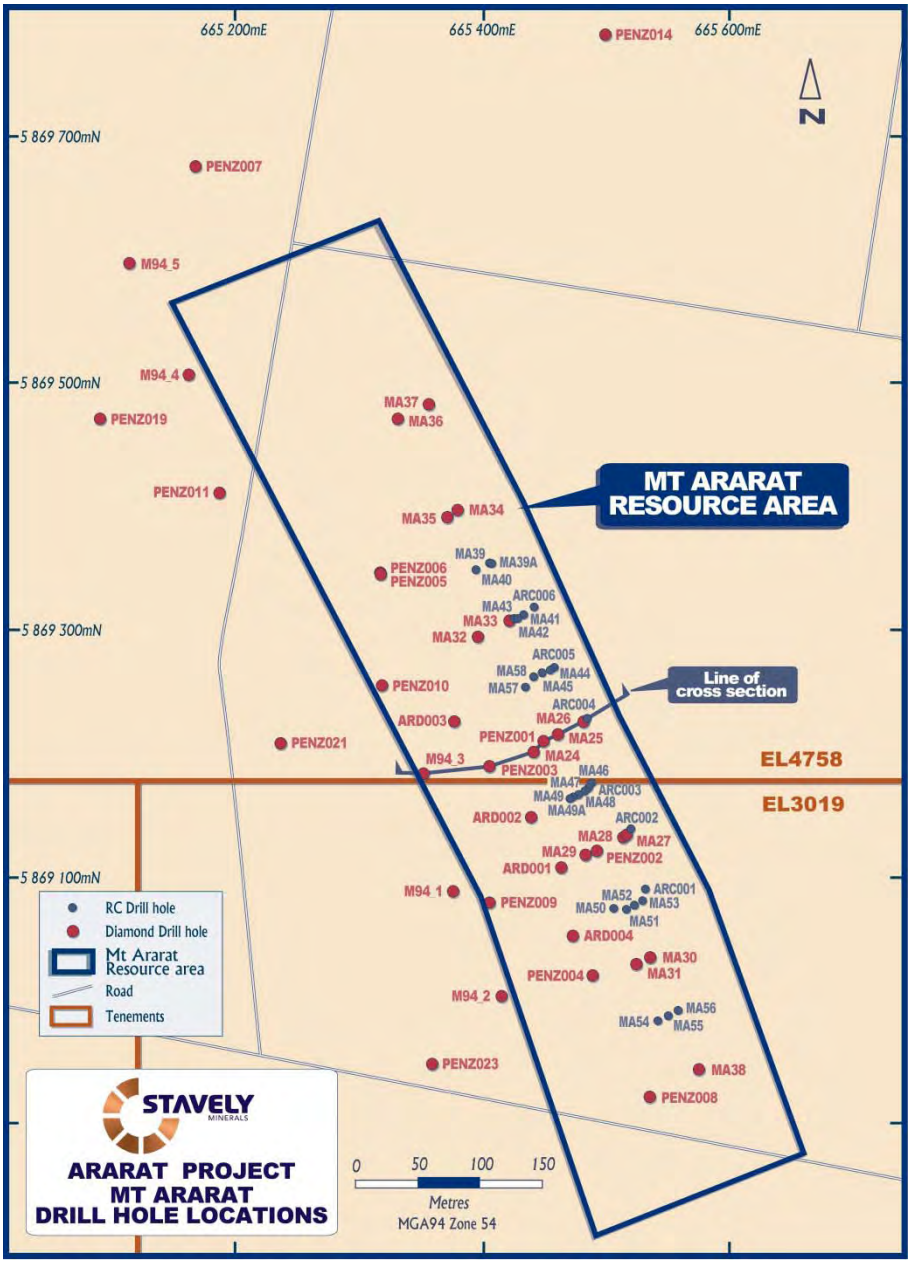

Figure 3. Collar location plan of the Mount Ararat copper-gold mineralisation.

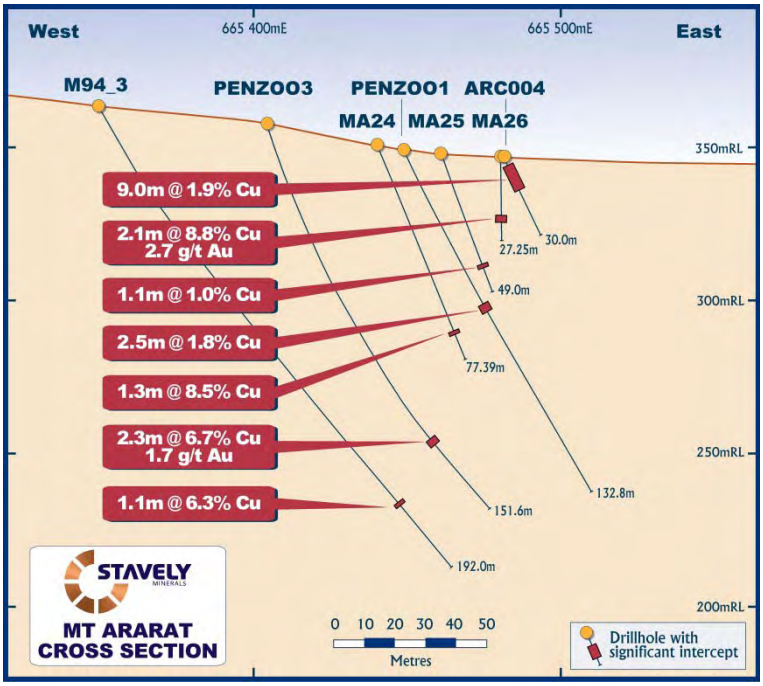

Figure 4. Cross-section of the Mount Ararat copper-gold mineralisation.

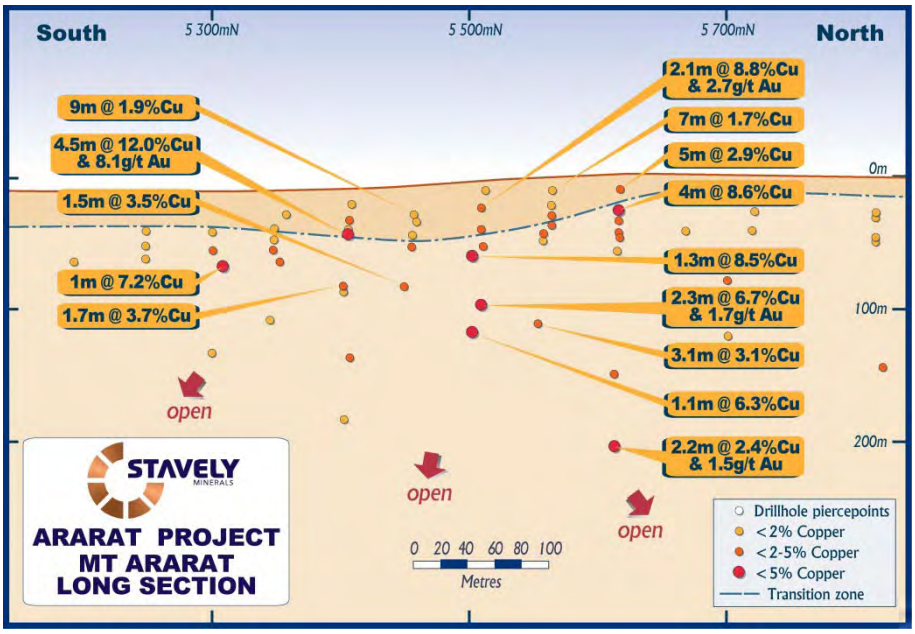

Figure 5. Long-section of the Mount Ararat copper-gold mineralisation.

(b) **Stavely Project Mineral Resource**

In the Stavely Project, at the Thursday's Gossan prospect, a near surface secondary chalcocite enriched blanket with an estimated (using a 0.2% Cu grade lower cut-off) – **28Mt at 0.4% copper for 110kt of contained copper** (Table 2).

Table 2: The Thursday Gossan Chalcocite Copper Inferred Resource Estimate

Thursday Gossan Chalcocite Copper August 2013 Inferred Resources *(JORC 2012 Edition)*					
Copper Mineralisation Subdivision		**Lower Cu Cut (%)**	**Tonnes (MT)**	**Copper Grade (%)**	**Contained Copper (KT)**
Mineralisation greater than 10m thick	**10 to 20m thick**	0.20	8.5	0.3	28.1
		0.30	4.5	0.4	18.4
		0.50	0.5	0.7	3.4
	Greater than 20m thick	0.20	14.4	0.4	61.7
		0.30	9.7	0.5	49.7
		0.50	3.1	0.8	24.8
	Sub Total (greater than 10m thick)	***0.20***	***22.9***	***0.4***	***89.8***
		0.30	***14.2***	***0.5***	***68.0***
		0.50	***3.7***	***0.8***	***28.2***
Mineralisation less than 10m thick		0.20	5.1	0.3	17.1
		0.30	2.5	0.4	10.6
		0.50	0.2	0.9	2.1
Total Mineralisation		**0.20**	**28.1**	**0.4**	**106.9**
		0.30	**16.7**	**0.5**	**78.6**
		0.50	**3.9**	**0.8**	**30.3**

Table shows rounded estimates. This rounding may cause apparent computational discrepancies. Significant figures do not imply precision. Nominal copper grade reporting cuts applied. Three mineralised thicknesses reported as varied economic factors are likely to be applicable to each.

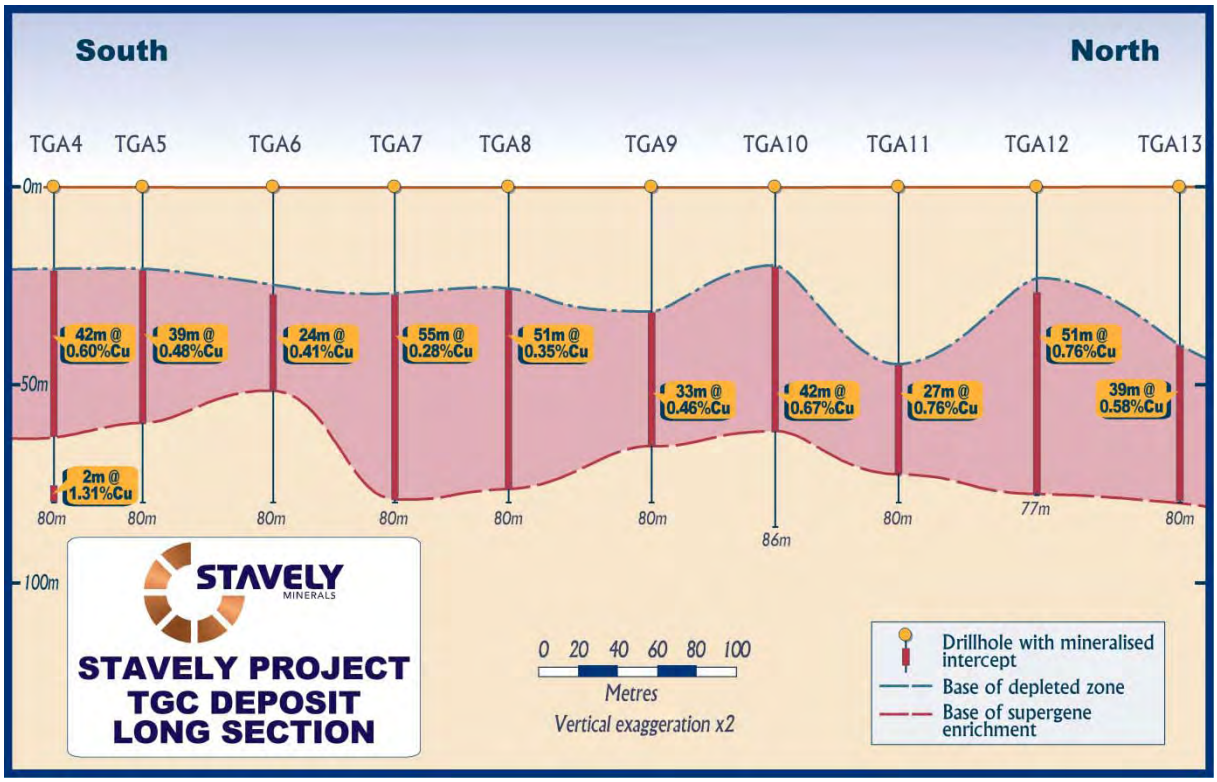

Figure 6. Cross-section of the Thursday's Gossan chalcocite-enriched blanket copper mineralisation.

In accordance with the 2012 JORC Code, all criteria for sections 1, 2 and 3 of the JORC Code Table 1 and 2 are reported in Appendices 1 and 2.

6.4 Ararat Project

The Ararat Project is located to the west and south of the regional town of Ararat, Victoria (Figure 7).

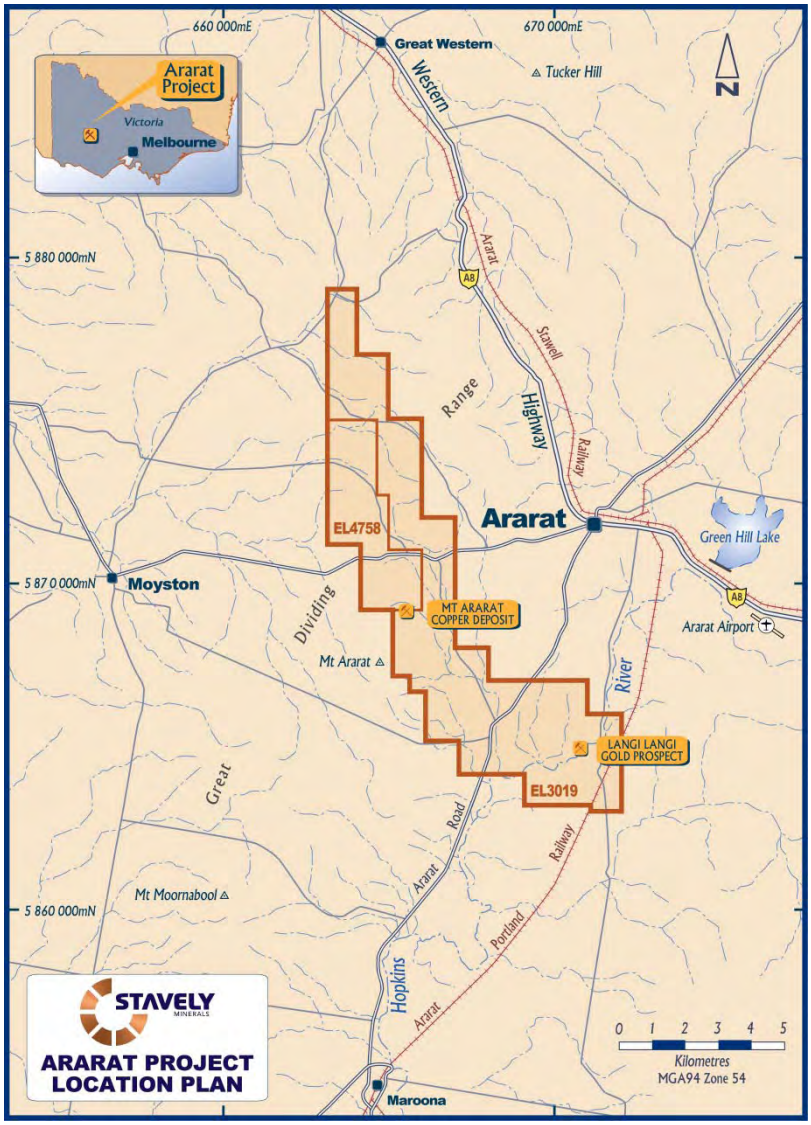

Figure 7. Ararat Project tenement location map.

The Ararat Project is located within the Moornambool Metamorphic Complex bounded on the east by the west dipping Coongee Fault and to the west by the Moyston Fault (Figure 8). The Moornambool Metamorphic Complex is predominantly comprised of mafic and quartzo-pelitic schists (eg. Carrolls Amphibolite and Lexington Schist) and their less intensely metamorphosed protoliths are occasionally preserved (eg. Magdala Metabasalt).

Generally, the intensity of metamorphism increases from east to west from lower greenschist facies adjacent to the Coongee Fault to amphibolite facies in the hangingwall of the Moyston Fault. The Carrolls Amphibolite, considered the amphibolite grade metamorphic equivalent to the Magdala Metabasalt, is particularly magnetic where it has been hornfelsed by the intrusion of the Stawell Granite and the Ararat Granite (Cayley and Taylor, 2001).

At the Mount Ararat copper deposit, copper-gold-zinc mineralisation is hosted in the Lexington Schist with inter-fingers and structural slivers of the Carrolls Amphibolite in a structurally overturned stratigraphy steeply dipping approximately 70 degrees to the west.

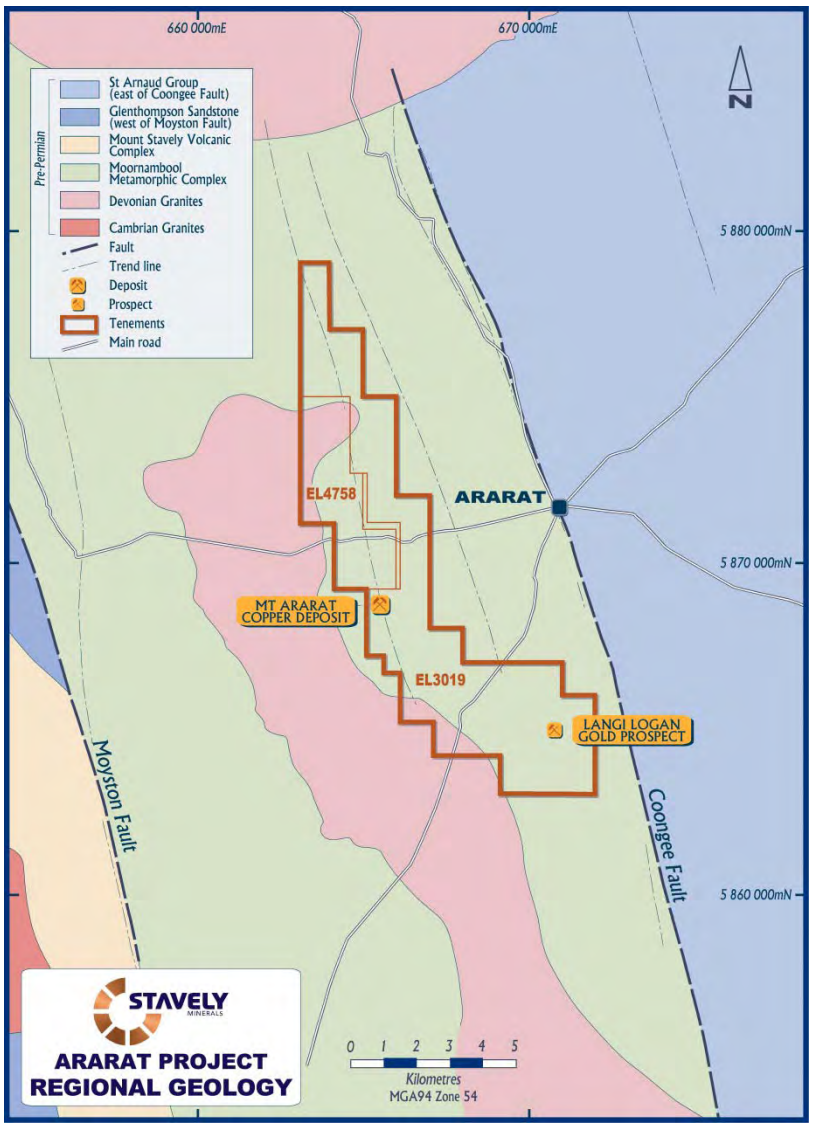

Figure 8. Ararat Project regional geology map.

The Besshi-style VMS copper-gold-zinc-silver mineralisation has been identified over a 350 metre strike extent (open at depth) at Mount Ararat. The existing Mineral Resource of **1.2Mt at 2.0% copper, 0.5 g/t gold, 0.4% zinc and 6 g/t silver** is at the extreme southern end of a 4 kilometre long versatile time domain electromagnetic survey (VTEM) conductivity anomaly (Figure 9).

Stavely Minerals has completed a ground electromagnetic survey over the VTEM conductivity anomaly and has generated 'walk-up' drill targets along strike to the north of the existing Mineral Resource. Strong conductivity anomalies are coincident with soil geochemical anomalies in both copper and zinc and reported zones of strongly haematitic and limonitic gossanous outcrops (Cayley and Taylor, 2001) and are effectively untested by drilling.

The ground EM conductor at the Mount Ararat Mineral Resource is modelled to continue to 500 metres depth while the untested Carroll's and South Pole ground EM conductors are modelled to extend to 800 metres and 500 metres depth respectively (Figure 10).

The sulphide mineralisation in the Mount Ararat Mineral Resource is finely laminated and inter-bedded with fine grained sandstones and mudstones indicating a distal, quiescent deposition environment, not proximal to the original metals outflow source. It is reasonable to expect the exhalative source of the metal sulphides would likely demonstrate some blocky sulphide fragment debris slope as the sea-floor smoker chimney periodically collapses and this has not yet been noted in drilling.

Also, as yet not seen at the Mt Ararat copper deposit, but should be expected proximal to the outflow source, would be a well-developed alteration and stockwork veining / stringer sulphide zone in the footwall. Freeman (1976) however, did describe an area of chlorite-actinolite schists to the north of the Mount Ararat copper deposit which has been speculated as being a possible footwall alteration zone (Cochrane, 1982). It is hypothesised that the Carroll's Prospect, in proximity to the noted alteration may be reflecting a broader source region. If this hypothesis proves true, it may host higher-grade and/or thicker zones of mineralisation as is commonly associated with the outflow zones of known VMS deposits.

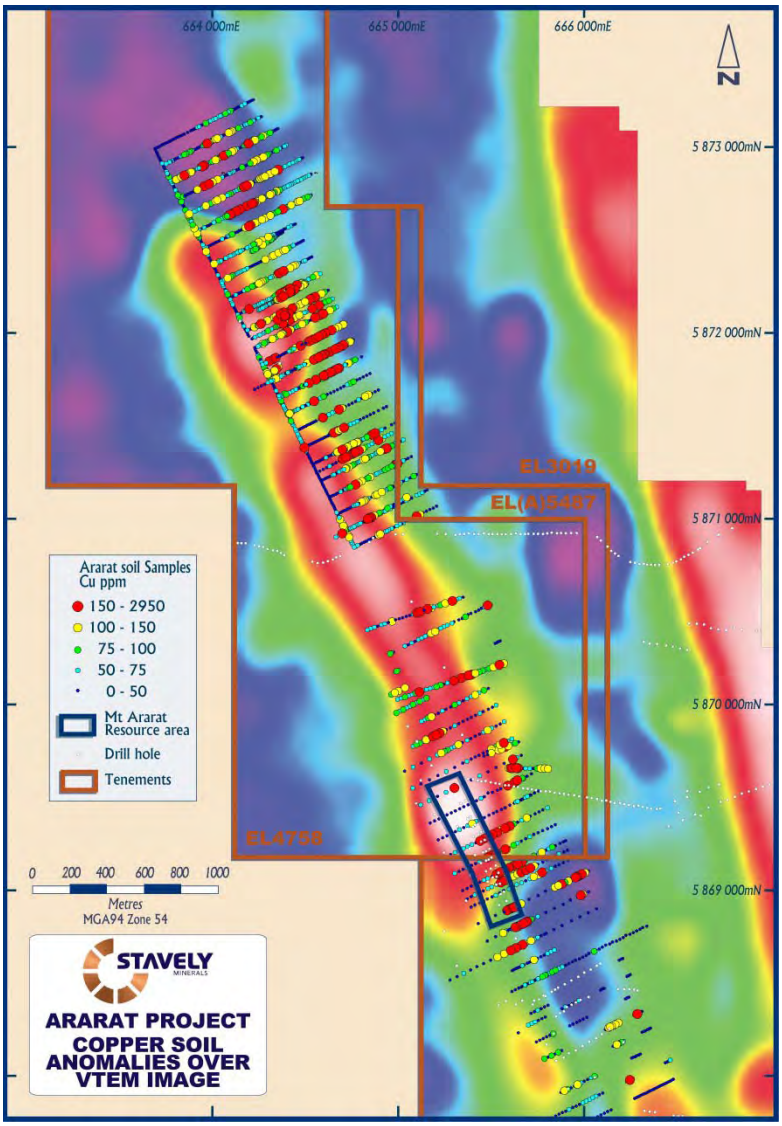

Figure 9. Mount Ararat VTEM conductivity anomaly and copper soil geochemistry (coloured dots). Note the blue rectangle contains the extent of the identified Mineral Resource.

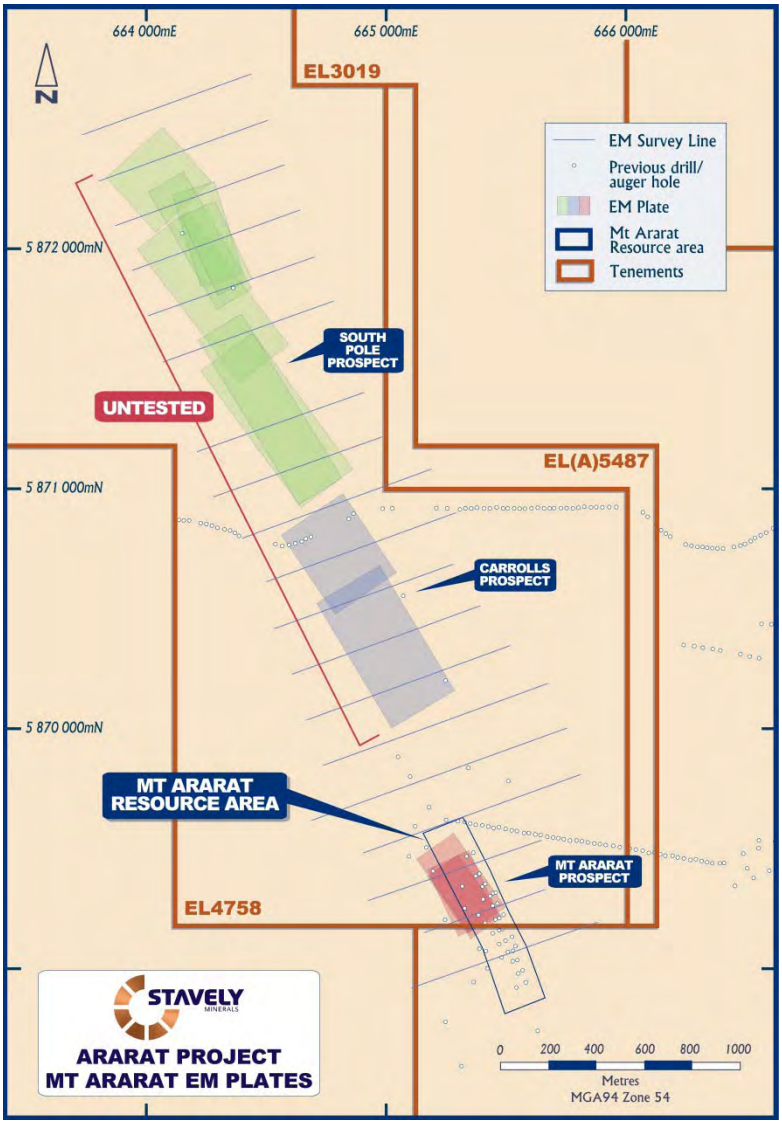

Figure 10. Mount Ararat Prospect ground EM conductive plates showing the identified Mineral Resource area (red), the Carroll's prospect (blue) and the South Pole prospect (green). Existing drill hole collars are shown as circles and include traverses of shallow soil auger holes.

There exist compelling exploration targets at the Carrolls and South Pole prospects to the north of the defined copper-gold mineralisation at Mount Ararat with:

- Soil geochemistry with strongly anomalous copper and zinc results (gold not assayed)
- VTEM and ground EM conductivity anomalies
- Historic copper workings at the Carrolls copper prospect associated with:
  - massive haematite and limonite gossans outcropping north along strike from the defined copper-gold mineralisation at Mt Ararat; and
  - chlorite-actinolite schists to the north which may represent a footwall alteration zone proximal to a metal-bearing fluid outflow zone,

which remain untested by targeted drilling.

The Mount Ararat copper deposit, the Carrolls prospect and the South Pole prospect lie on a small portion of a prospective exhalative horizon on the contact between the Carrolls Amphibolite and the Lexington Schist (Cayley and Taylor, 2001) that includes other historic copper production occurrences including the Borbidge and the Carrolls copper workings, located approximately 2 kilometres south and north of the Mount Ararat copper deposit

respectively. This horizon is interpreted to continue for approximately 15 kilometres within the Ararat Project tenements and presents regional reconnaissance exploration opportunities for Stavely Minerals (Figure 11).

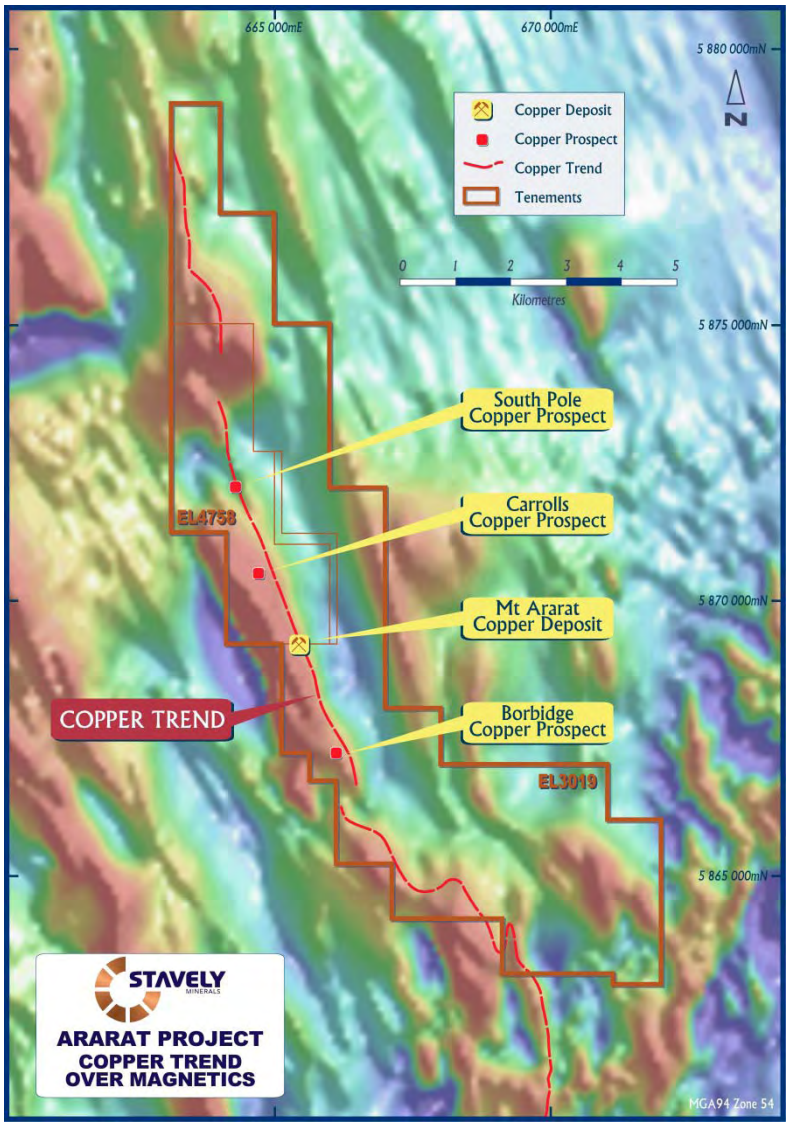

Figure 11. Ararat regional copper prospective horizon.

The Langi Logan gold target is hosted in a similar geological setting to the Stawell Gold Mine (located some 35 kilometres to the north) with recorded historic and modern production of almost 5 million ounces of gold. Gold mineralisation of the Stawell-style is significantly different to the nuggetty saddle reef-hosted gold mineralisation typical of the Bendigo and Ballarat goldfields, in that it tends to be far more consistent and continuous, as demonstrated by a production history of over 3 decades at Stawell (Figure 12).

The target is an altered and gold mineralised metasedimentary rocks on the faulted contact of the large basalt dome at Langi Logan (Figure 13).

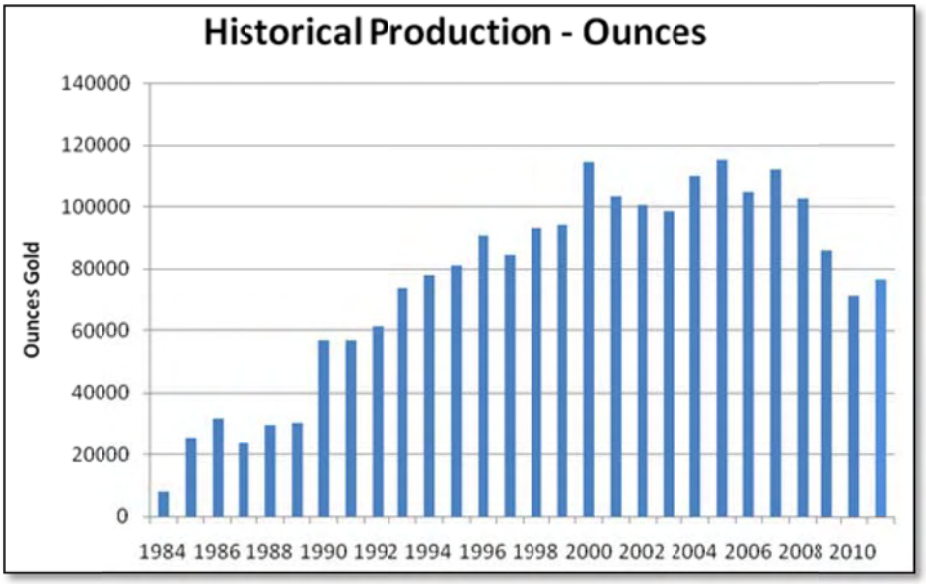

Figure 12. Stawell Gold Mine historical gold production.

Stawell-style gold mineralisation has been intercepted (2 metres at 9.2 g/t gold) by previous explorer, Newcrest Mining Limited, in what would appear to be a hangingwall lode in sulphidic sediments proximal to a contact with the Langi Logan basalt dome (Figure 14). This drill result was from the interpreted SW margin of the dome, whereas the undrilled northwest margin is considered to be the most favourable position in a dextral strike-slip structural setting analogous to the Stawell Gold Mine.

Gravity/magnetic inversions have been completed to identify the position of the favourable northwest sediment/basalt contact. Three lines of IP are planned to confirm this position in advance of drilling by Stavely Minerals.

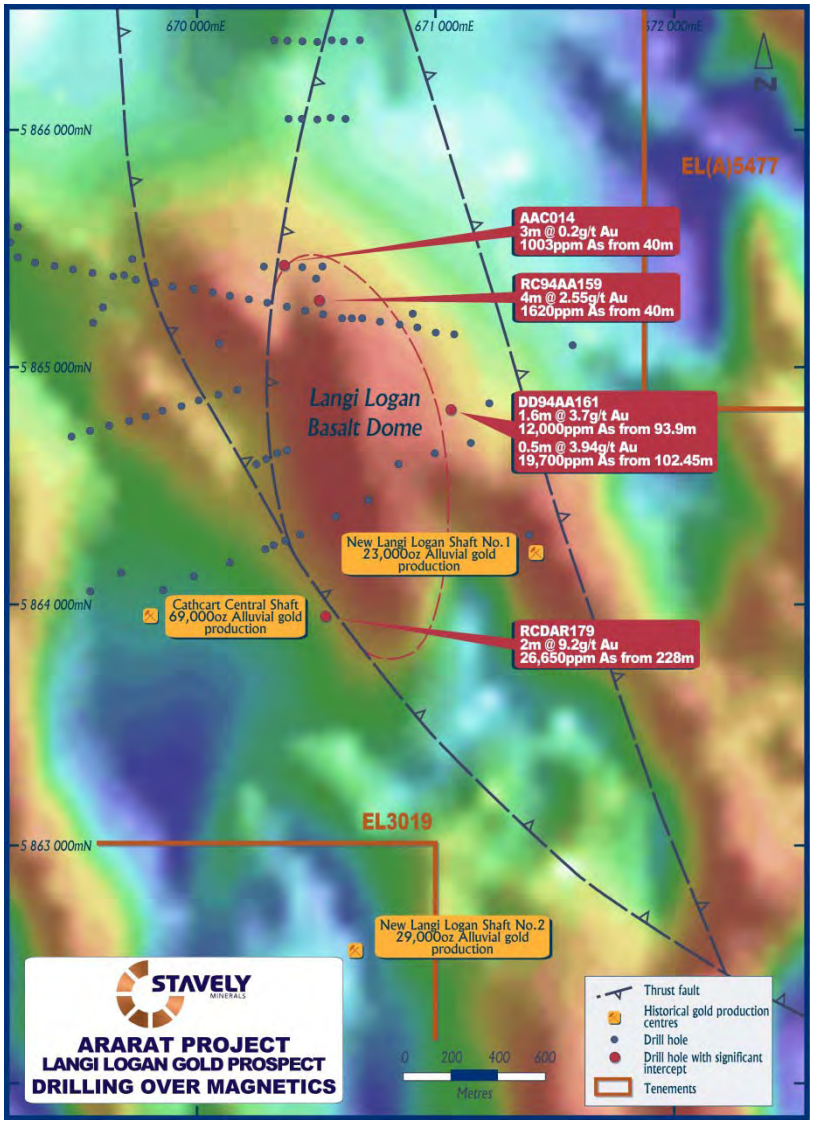

Figure 13. Aeromagnetic image showing the interpreted Langi Logan basalt dome, bounding structures, drill hole collar locations and significant intercepts.

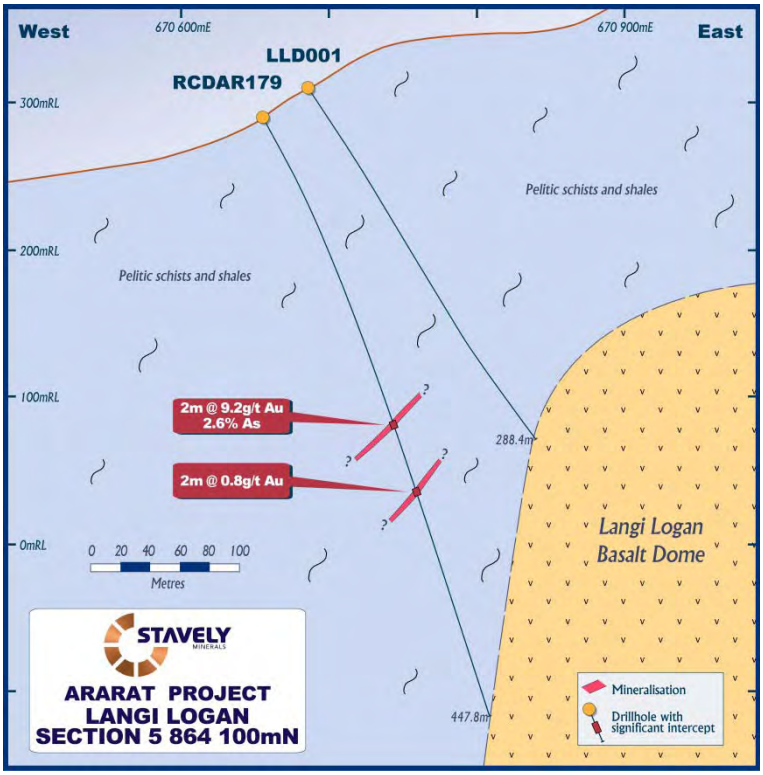

Figure 14. Langi Logan drill cross-section showing hangingwall intercepts in sulphidic sediments.

6.5 Stavely Project

Recent seismic traverses by the Victorian Department of State Development, Business and Innovation in western Victoria have supported the interpretation of an Andean-style convergent margin environment for the development of the buried Miga Arc beneath the Stavely Volcanic Complex and environs (Cayley, in prep, pers. comm., 2013). This regional architecture is considered conducive to the formation of fertile copper / gold mineralised porphyry systems (Crawford et al, 2003) as is the case with the MacQuarie Arc in New South Wales, which hosts the Cadia Valley and North Parkes copper-gold mineralised porphyry complexes.

The Stavely Project is centered on the Mt Stavely Volcanic Complex (**MSVC**), a belt of medium-K, calc-alkaline felsic volcanics and intrusive rocks of Cambrian age. The belt, where it is exposed, strikes NNW for approximately 30 kilometres from Berrambool in the south to Yarram Park in the north. Aeromagnetic data suggests the belt continues to the north under recent cover before plunging below the Silurian Grampians group. To the south, the belt continues under Tertiary sediments and volcanics of the Newer Volcanics.

The MSVC is located in the eastern most portion of the Delamerian Fold Belt in the Dimboola Sub-Zone. This zone has the lowest metamorphic grade and least deformation of all the zones within the Delamerian Fold Belt. A deep seismic transect conducted to the north of the tenements suggests that the boundary between the Lachlan and Delamerian orogens is the east dipping Moyston Fault which lies approximately 15 kilometres to the east of the MSVC (Korsch et al, 2002). The deep seismic transect also contributed to the interpretation that the Stavely Zone is underlain by the buried Miga Arc considered analogous to, although not time synchronous with, the Macquarie Arc of NSW.

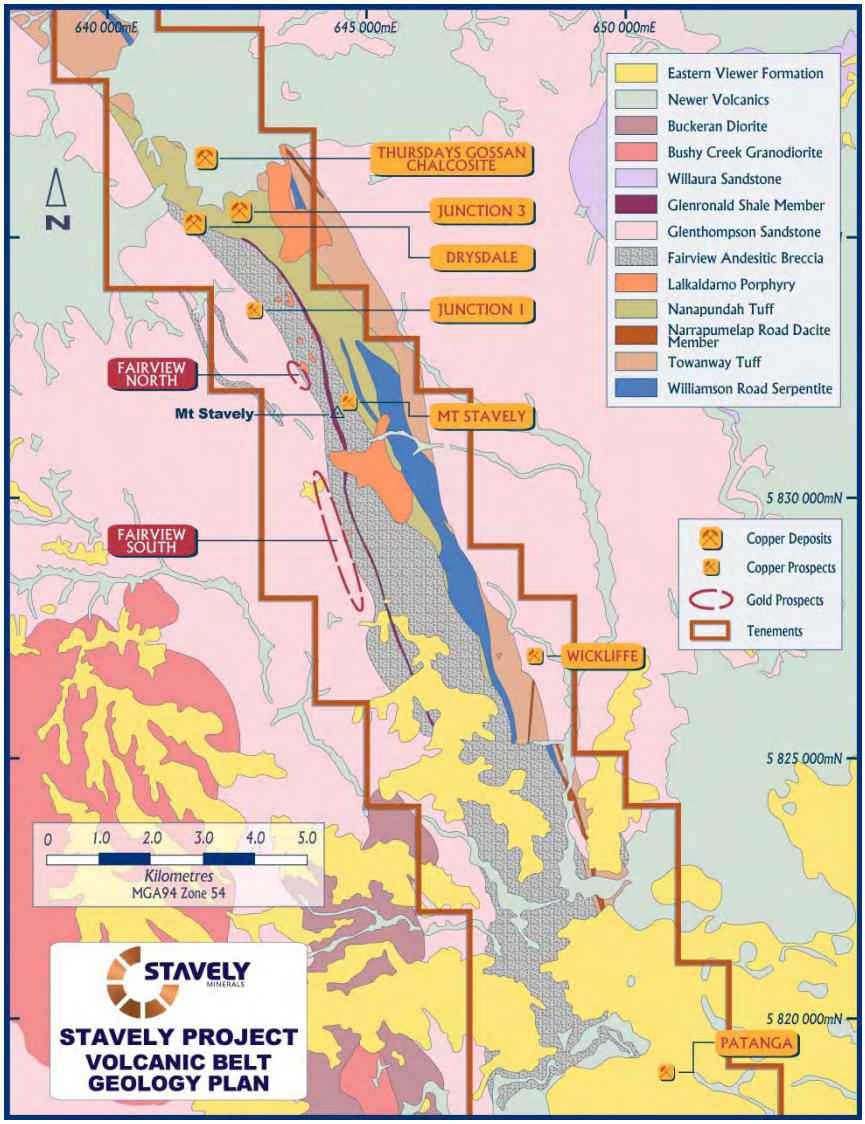

Figure 15. Regional geology map of the Stavely Volcanic Belt

Buckland (1986) established the first stratigraphy for the belt and mapping by Stuart-Smith and Black (1999) did not change these interpretations significantly. A summary stratigraphy is presented in Table 3. Contact relationships are often disrupted and the order of the stratigraphy shown in Table 3 (from youngest to oldest) is open to interpretation.

The MSVC is tectonically complex. Most contacts are interpreted to be faulted, with a strong north-northwest orientated structural fabric. The belt is cut by a number of cross structures, including a major NW orientated structure that passes through the Thursday's Gossan area and may be responsible for an apparent deviation in the belt north of Thursday's Gossan (Figure 16).

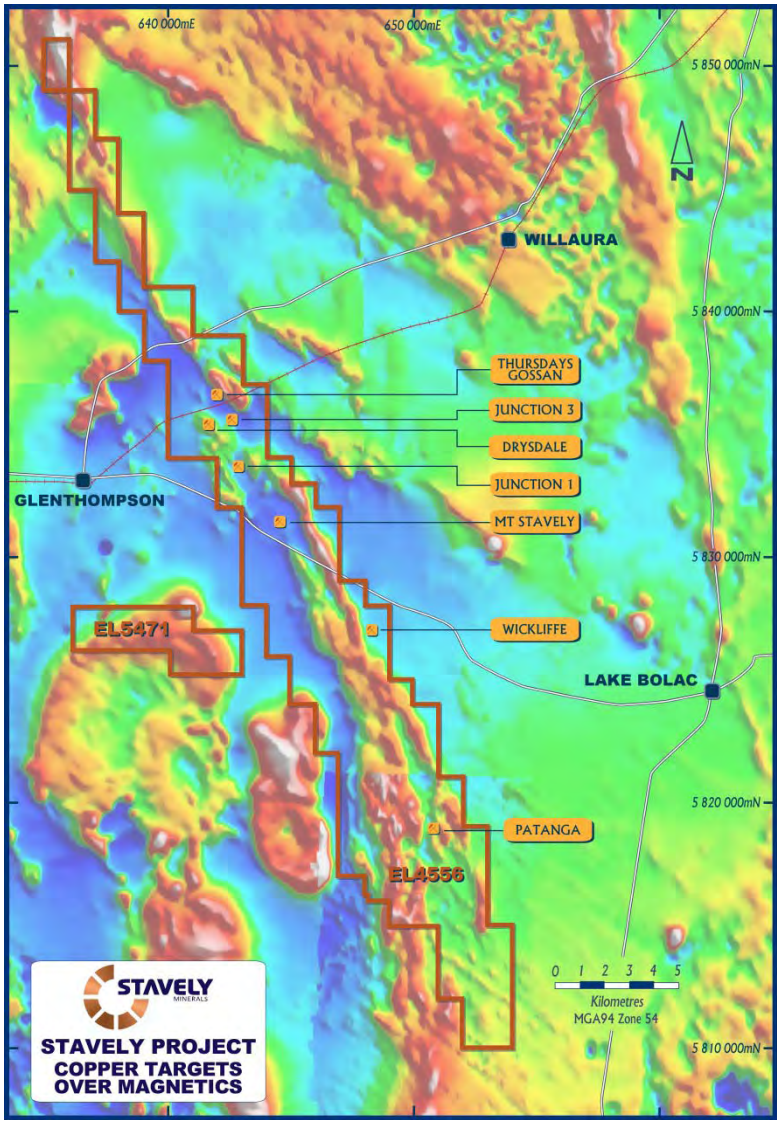

Figure 16. Aeromagnetic image of the Stavely Project. Note the MSVC trending NNW as a magnetic high through the centre of the tenement with a major NW structure intersecting the belt in the vicinity of Thursday's Gossan.

A U-Pb zircon age from the Towanway Tuff of 495±5Ma (Stuart-Smith and Black, 1999) correlates closely with dates for the Mt Read Volcanics (MRV) in western Tasmania. This, along with similar age dates, similar calc-alkaline composition, the suspected presence of boninites and similar rare earth Element (REE) trends suggest that the MSVC and the MRV may be correlates of each other.

It is significant also that the 489±7Ma aged Bushy Creek Granodiorite postdates the regional prehnite-pumpellyite grade metamorphic event and suggests that the MSVC was metamorphosed very soon after deposition.

Table 3. Summary stratigraphy of the Mt Stavely Volcanic Complex

Buckeran Diorite and Bushy Creek Granodiorite	These units form a series of zoned, magnetic plutons with contact aureoles, 500m wide, that post-date regional metamorphism. U-Pb zircon dating has given an age of 489+-7Ma (Stuart-Smith and Black, 1999). May correlate with inferred late porphyry intrusions in the Stavely area.
Glenthompson Sandstone	Massive quartz rich sandstone. This unit is interpreted by Buckland and others to be faulted against the rocks of the MSVC, although a conformable contact is possible.
Lalkaldarno Porphyry	Coarse grained plagioclase + hornblende phyric porphyry.
Towanway Tuff	Poorly to moderately sorted volcaniclastic sandstone of dacitic composition. A U-Pb zircon date of 495 $\pm$ 5Ma has been obtained from this unit (Stuart-Smith and Black, 1999).
Nanapundah Tuff	Massive andesitic volcaniclastic sandstone with small angular to subrounded clasts of andesite to 2mm.
Fairview Andesitic Breccia	Massive, poorly sorted, matrix supported volcanic breccia with subrounded clasts of andesite and basalt.
Williamsons Rd Serpentinite	Brecciated serpentinite with euhedral chromite and silicification common. There is some suggestion by other workers such as Crawford *et al* (1996) that the Williamsons Rd Serpentinite represents serpentinised boninite.

Vandenberg *et al* (2000) suggest that the MSVC was erupted during post collisional extension following the initial stages of arc-continent collision during the Delamerian Orogeny. This resulted in eruption of boninites, followed by the calc-alkaline rocks of the MSVC.

Recent local data uncovered/acquired/analysed by Stavely Minerals and its consultants include:

- an Honours thesis including PIMA data collected on aircore drill chips and diamond drill core that demonstrated a preserved classically concentric alteration zonation indicating a high-level of exposure of a major porphyry system at the Thursday's Gossan prospect (A. Spencer, 1996);
- first-time processing and analysis of HyLogger data for drill core from 11 diamond drill holes from the Thursday's Gossan prospect clearly demonstrates the high-level clay alteration assemblage. Interpretation indicates the likelihood of a mineralised porphyry system at depth below the current drilling with comparisons to the upper portions of the Prince Lyell copper-gold deposit (Halley, 2013);
- re-interpretation of the structural controls on mineralisation indicate a major northwest oriented structure is likely to have been a long-lived control on porphyry emplacement at depth and control the distribution of classical high-grade copper-gold mineralised 'D' veins as leakage on major structures;
- newly acquired gravity data confirms the known Thursday's Gossan porphyry centre as a gravity low and has highlighted a likely second inferred porphyry centre beneath Mt Stavely, with peripheral low-sulphidation style gold mineralisation at the Fairview prospect over a strike extent of some 5 kilometres;
- recently acquired induced polarisation (IP) data indicates a strong chargeability feature, centred at 250 metres and unconstrained at depth, at the Thursday's Gossan prospect which remains untested by drilling;
- review and interpretation of pro-grade/retrograde alteration assemblage and vein types in drill core has concluded that there is strong evidence indicating that there is untested porphyry Cu-Au style mineralisation at depth below the Thursday Gossan project area (Corbett and Menzies, 2013); and
- very recent sulphur isotope data provided by Geoscience Australia for samples collected in December 2013 demonstrate a broad zonation from neutral to mildly negative isotope values peripheral to the alteration system at Thursday's Gossan to strongly negative

values (-6.4‰ d34 sulphur) proximal to the untested IP chargeability anomaly. Strongly negative results indicate an oxidised magmatic fluid source with the zonation and strongly negative isotope result being consistent with several known copper-gold rich 'alkalic' porphyry systems including Didipio, El Teniente, Cadia East and the E26 porphyry at North Parkes (Holliday and Cook, 2007).

Stavely Minerals' primary contention is that previous explorers failed to recognise the high level of exposure of the Thursday's Gossan porphyry complex and that there is untested potential for mineralised copper-gold porphyry(s) at depth. The Stavely area is compared to the Cadia Valley and North Parkes districts at an early stage of evaluation.

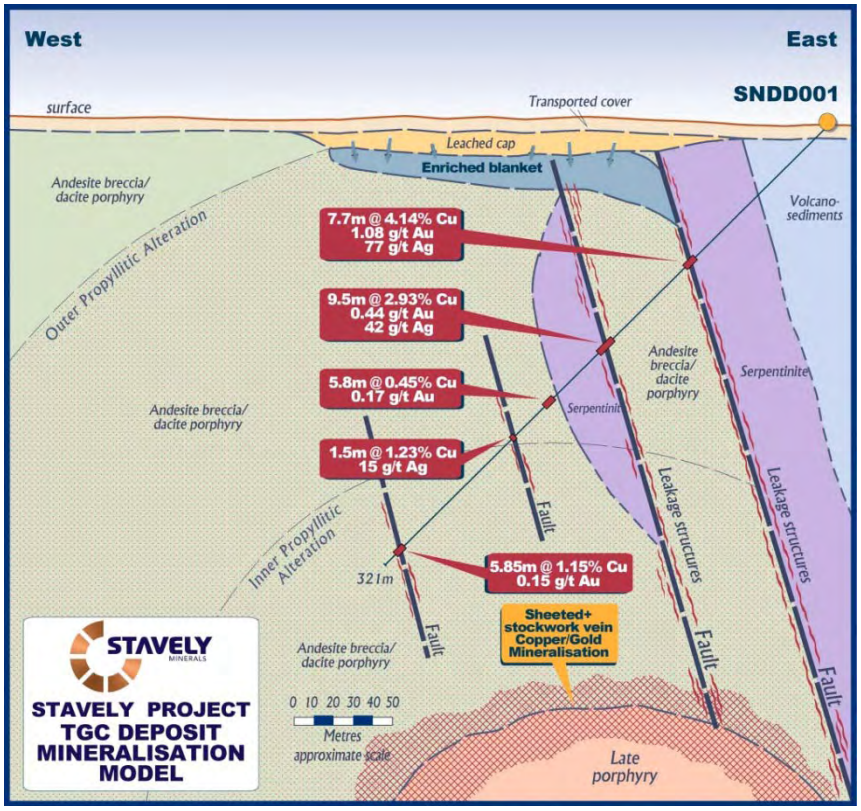

Figure 17. Conceptual interpretation of mineralisation and alteration seen in SNDD001 with inferred copper-god mineralised porphyry target at depth.

Priority exploration targets in the Stavely Project include:

(i) The deeper porphyry target at Thursday's Gossan with:

- Interpreted structurally controlled 'D' vein 'leakage' drill intercepts including[1]:
  - 7.7 metres at 4.1% copper and 1.1 g/t gold from 94.7 metres drill depth;
  - 9.5 metres at 2.9% copper and 0.4 g/t gold from 154.6 metres drill depth; and
  - 8 metres at 2.4% copper and 1.0 g/t gold from 22 metres drill depth;
- These interpreted 'D' vein intersections are considered to represent late, structurally controlled, high-level copper-gold mineralised 'leakage' veins emanating from a copper-gold mineralised porphyry system located at depth below the extent of current drilling (Figure 17). The 'D' vein terminology was coined by Gustafson and Hunt in their seminal paper describing the alteration zonations, vein types and mineralisation characteristics of porphyry systems published in 1975.

[1] Please refer to Appendix 3 for a schedule of all drill intercepts at Thursday's Gossan.

- Interpreted wall-rock hosted 'peripheral' low-grade disseminated copper mineralisation of 235 metres at 0.21% copper in propyllitic alteration from 27 metres drill depth;
- Haematite alteration possibly indicative of a copper-gold fertile alkalic intrusive related porphyry system;
- PIMA data indicating a largely preserved high-level of exposure porphyry system (Figure 18);
- HyLogger data confirming clay alteration assemblages consistent with a high-level of exposure in a well-developed porphyry copper-gold system (Halley, 2013);
- Recent IP geophysical surveys have identified a strong chargeability anomaly interpreted to represent a response from the phyllic silica-sericite-pyrite alteration zone expected to occur spatially above the target copper-gold quartz stockwork zone (Figure 19). There has been no drilling to date into or beneath this significant chargeability feature; and
- Very recent d34 sulphur isotope data from drill core samples at Thursday's gossan demonstrates a broad zonation from near neutral isotope values to mildly negative values from the peripheral propyllitic alteration to strongly negative values to -6.4‰ d34 sulphur from 300m depth in VSTD001 (Geoscience Australia, 2014) (Figure 18). The strongly negative value, indicating an oxidised magmatic fluid source, is located proximal to the untested IP chargeability anomaly. This is considered a useful vector towards a potentially well mineralised copper-gold porphyry (Holliday and Cook, 2007).

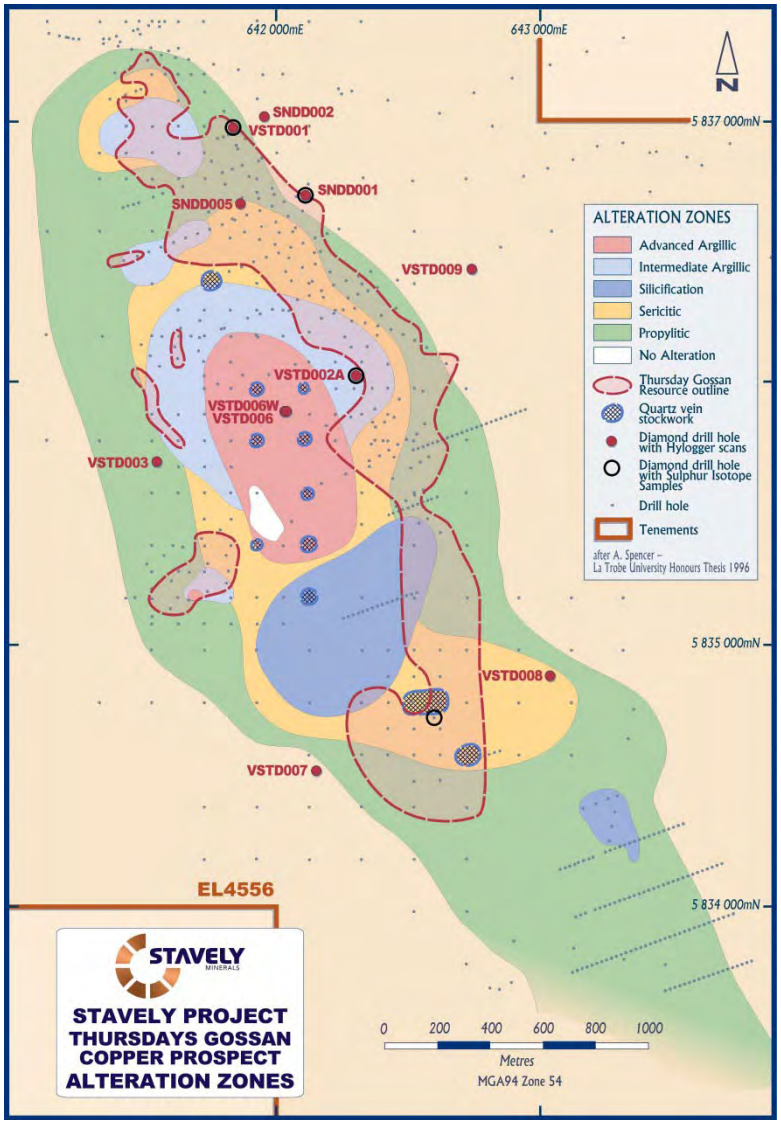

Figure 18. PIMA infrared spectrometer clay mineral mapping and interpreted alteration zonation at the Thursday's Gossan prospect showing the outline of the chalcocite-enriched Mineral Resource (red outline) and diamond drill hole collar locations (after Spencer, 1996)

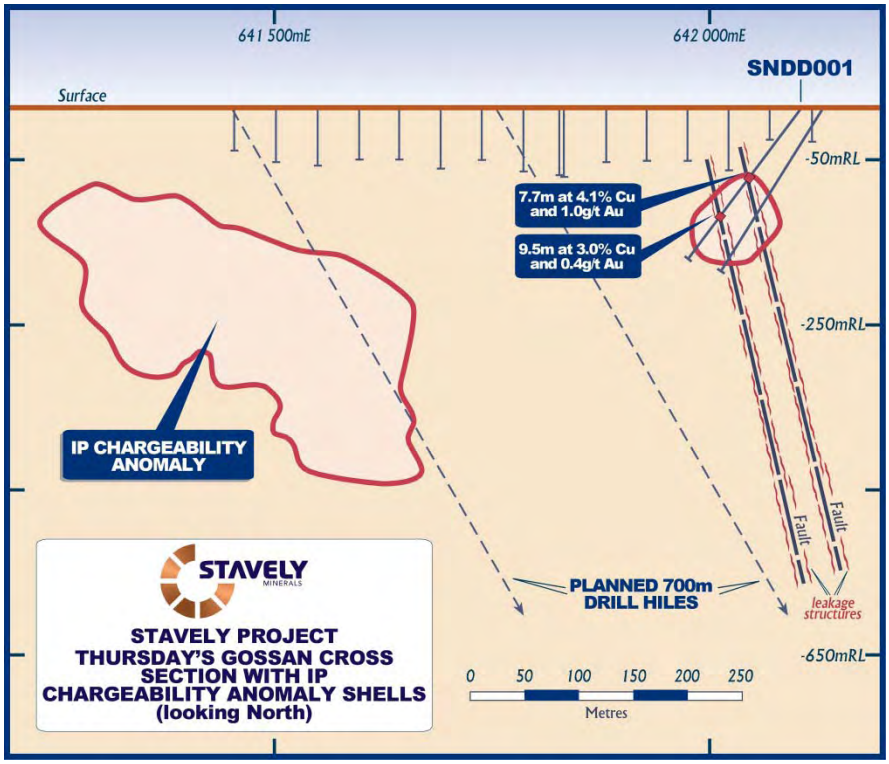

Figure 19. 25mV/V IP chargeability anomaly outline interpreted to be reflecting a response from phyllic silica-sericite-pyrite alteration expected to be located spatially above the target copper-gold quartz stockwork zone. Note that IP is also identifying a chargeability anomaly associated with the interpreted 'D' vein intercepts in drill hole SNDD001.

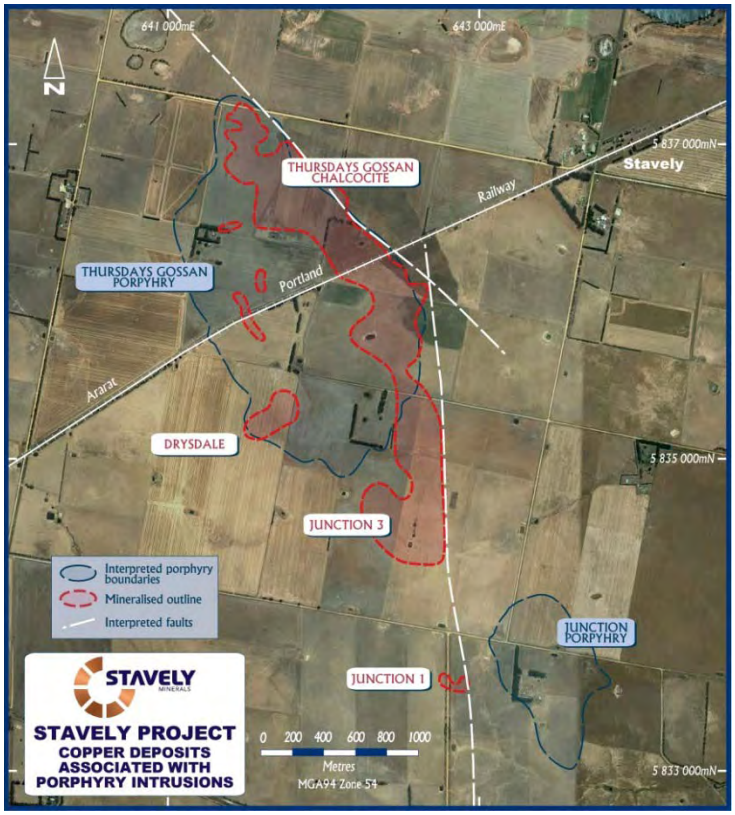

Figure 20. Prospect location map on air photo showing Ararat to Portland railway, chalcocite-enriched Mineral Resource (red outline), major NW and NNW structural controls (white dashed) and porphyry outlines (blue) as interpreted from gravity, magnetic and drilling data.

(ii) The Junction porphyry target

The Junction porphyry target is defined by a coincident magnetic high, strong soil copper geochemistry, RAB drilling copper anomalism and has been tested by only two diamond drill holes to date. Copper mineralisation to 0.54% from 85-86 metres down hole was intercepted in diamond drill hole PEND6J;

(iii) The Junction 1 porphyry target with shallow drill intercepts including[2]:

- 35 metres at 3.4% copper from 25 metres drill depth to end of hole;
- 6 metres at 2.2% copper and 8 g/t silver from 2 metres drill depth; and
- 6 metres at 3.9% copper and 25 g/t silver from 28 metres drill depth.

Given the abundance of sulphide in some of the Junction 1 intercepts, they are considered likely to be leakage 'D' veins in the terminology of Gustafson and Hunt (1975). It is probable that they represent late peripheral veins to a copper porphyry system at Junction.

Given the shallow depth of drilling in this area, it is difficult to interpret a geometry for the mineralisation although it is suspected that the larger intervals have intercepted mineralised structures at an oblique angle and do not reflect true widths.

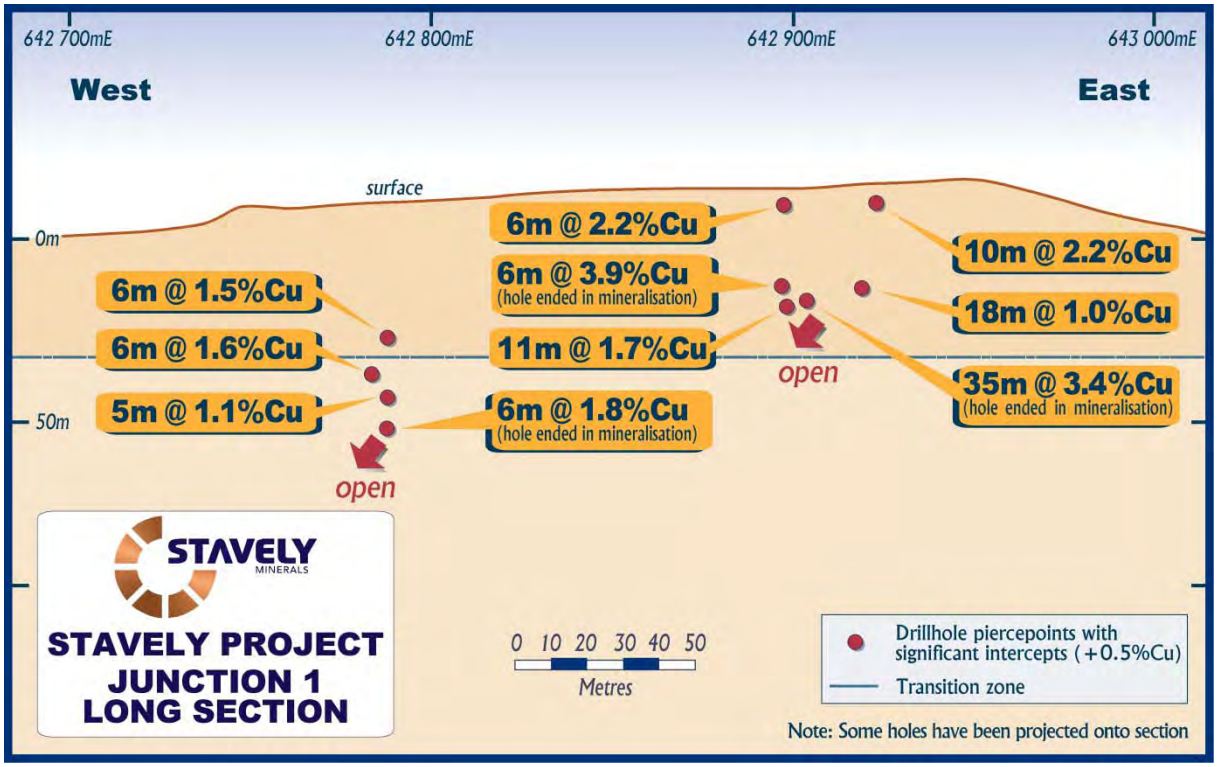

Figure 21. Oblique projection long section of drill hole results from the Junction 1 prospect.

[2] Please refer to Appendix 3 for a schedule of all drill intercepts at the Junction 1 porphyry target.

(iv) The Junction 3 porphyry target

The Junction 3 porphyry target has shallow drill intercepts including 16.5 metres at 0.86% copper from 20 metres drill depth and 16 metres at 1.0% copper from 42 metres drill depth, likely to be intervals of secondary chalcocite-enriched primary copper mineralisation with discrete structural porphyry potential at depth coincident with a subtle magnetic high.

(v) The inferred Mt Stavely porphyry target

The inferred Mt Stavely porphyry target is reflected as a 'low' in gravity data and as a 'low' in the airborne magnetic data which is interpreted to reflect magnetite destructive hydrothermal fluid alteration (Figure 22). A porphyry is inferred to exist at depth and is in proximity to marginal gold mineralisation at the Fairview gold prospect - itself interpreted to be low-sulphidation epithermal style mineralisation characterised by pale yellow sphalerite and adularia noted in petrographic descriptions.

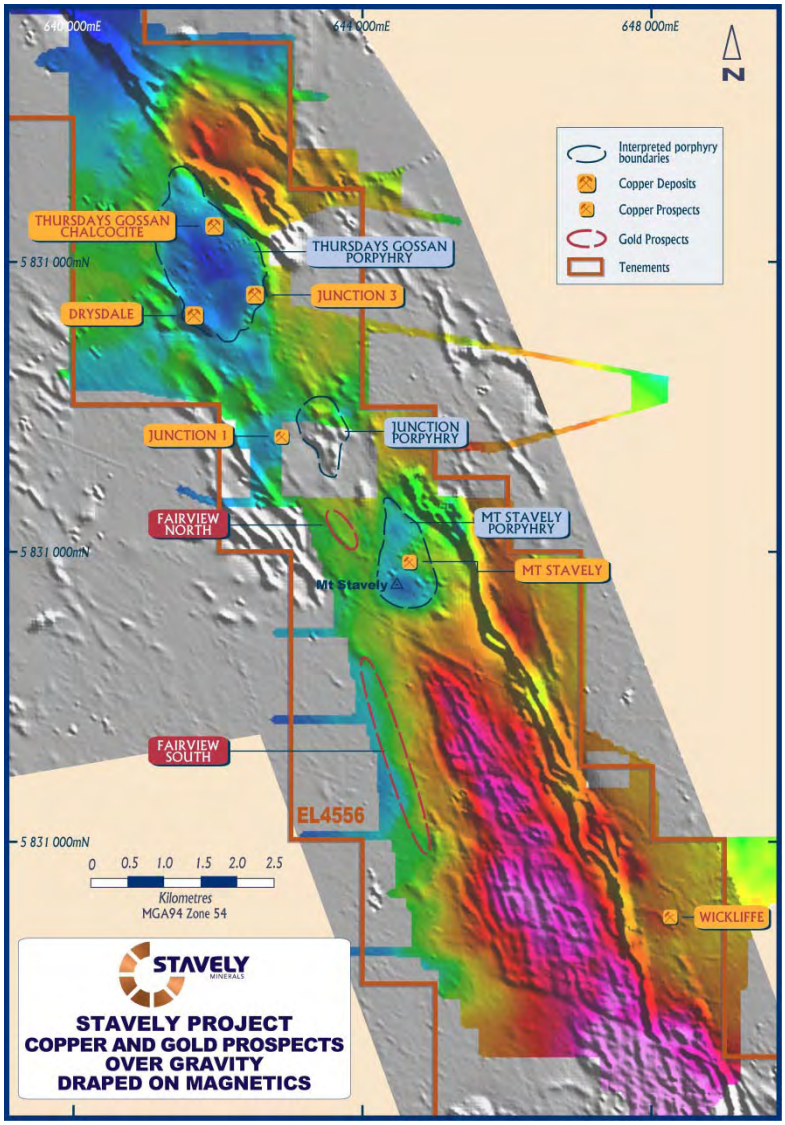

Figure 22. Grey-scale aeromagnetic data with a colour drape of ground gravity data showing interpreted porphyry outlines and prospects. Note the NW oriented structural offsets as illustrated by the sinistral strike-slip movement south of the Wickliffe prospect.

(vi) The Fairview North and Fairview South gold prospects

The 4.8 kilometre long Fairview North and Fairview South low-sulphidation epithermal gold anomalies, originally identified in soil sampling and followed-up with shallow reconnaissance aircore, RC and limited diamond drilling with assay results including[3] (Figure 23):

- 2.5 metres at 17.44 g/t gold from 28 metres drill depth to end of hole;
- 2 metres at 16.06 g/t gold from 23 metres drill depth;
- 4 metres at 6.69 g/t gold from 10 metres drill depth;
- 17 metres at 1.70 g/t gold including 5 metres at 3.1 g/t gold from 12 metres drill depth; and
- 12 metres at 2.16 g/t gold from 18 metres drill depth to end of hole including 3 metres at 5.1 g/t gold from 27 metres drill depth to end of hole.

The Fairview gold anomaly is hosted in an inferred structural contact between the Fairview Andesite Breccia and the Glenthompson Sandstone. The gold mineralisation is associated with sericite, albite and K-spar (adularia) alteration and quartz sulphide veins with chalcopyrite, sphalerite, galena and gold. The sphalerite is of a pale yellow colour and, in conjunction with the adularia, suggestive of a low-temperature low-sulphidation epithermal affinity.

[3] Please refer to Appendix 3 for a schedule of all drill intercepts at the Fairview North and Fairview South anomalies.

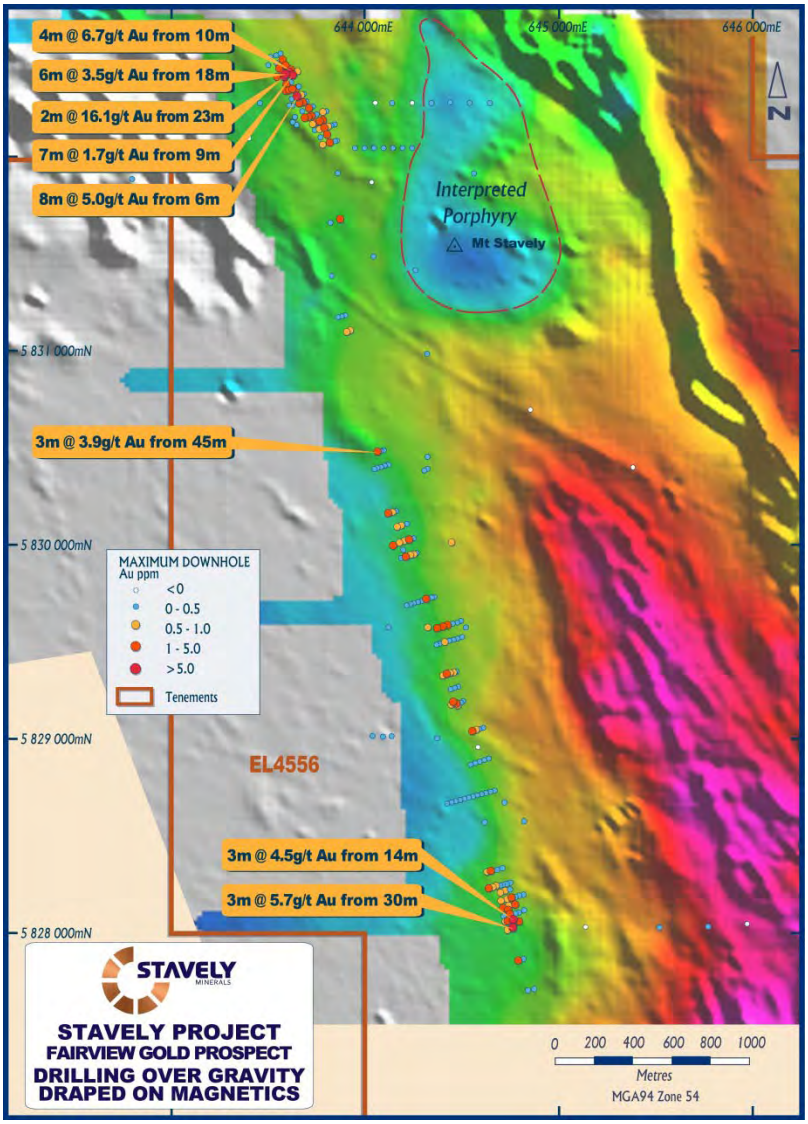

Figure 23. Grey-scale aeromagnetic data with colour drape of ground gravity data showing the interpreted Mt Stavely porphyry as a gravity 'low' and the Fairview North and Fairview South gold prospects with significant gold results from drilling.

(vii) The Patanga porphyry prospect:

The Patanga porphyry prospect has had limited exploration work but does have shallow drill intercepts including 10 metres at 0.32% copper and 0.4 g/t gold from 30 metres drill depth in a reconnaissance aircore drill hole. It is possible that this result is enhanced by supergene enrichment[4].

(viii) The Wickliff VMS prospect with diamond drill intercepts including[5]:

- 3.15 metres at 2.27 g/t gold, 4.9% zinc, 0.2% copper and 7 g/t silver from 73.4 metres drill depth;
- 4 metres at 0.74% copper and 5 g/t silver from 60 metres drill depth; and
- 29 metres at 0.33% copper from 78 metres drill depth.

[4] Please refer to Appendix 3 for a schedule of all drill intercepts at the Patanga porphyry prospect.
[5] Please refer to Appendix 3 for a schedule of all drill intercepts at the Wickliff VMS prospect.

The Wickliffe VMS-style copper-zinc-gold mineralisation is hosted near the stratigraphic top of the Towanway Tuff and is associated with silica-chlorite and sericite alteration. Prospect scale thrust faulting has created a complex geometry.

6.6 Mortlake Project

The Mortlake Project is located around the regional town of Mortlake. The project is covered by a thin layer of Cainozoic basalt of the Western District Province. The basalt is interpreted to be underlain by a southern continuation of the Mount Stavely Volcanic Complex (MSVC) which, as previously described, is considered prospective for VMS and porphyry related gold and base metal mineralisation. Specifically, the aeromagnetic data clearly shows younger volcanic centres responsible for the basalt flow cover sequence and a series of discrete magnetic highs in the MSVC basement (Figure 24). These highs may be caused by magnetite or magnetic sulphides associated with gold and / or base metal mineralisation.

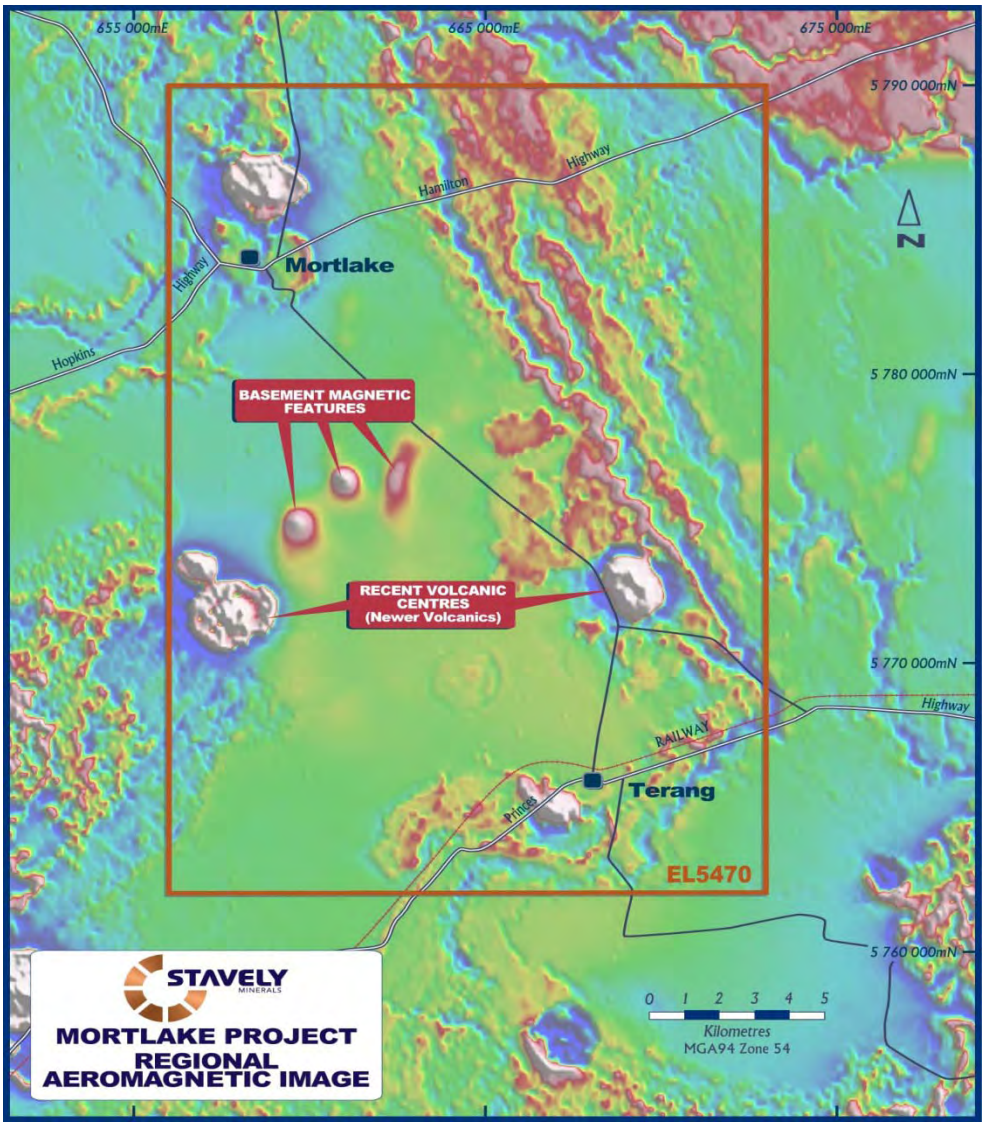

Figure 24. Colour aeromagnetic data with tenement boundary and cultural features showing recent volcanic centres and discrete 'basement' magnetic highs possibly related to mineralisation.

6.7 Proposed Exploration Programs

(a) Ararat Project

The Mt Ararat northern extensions are well defined by soil geochemical zinc and copper anomalies and by ground electromagnetic conductors. Phase 1 drilling is likely to be dominated by shallow (<200 metre deep) RC drill holes to test the better portions of the almost 4 kilometres of strike extent of the electromagnetic conductors at Carroll's and South Pole Prospects. First-pass drill holes will be surveyed by down-hole EM tools to identify any off-hole conductors. First pass drilling metres are expected to be in the range of 5,000 metres of RC drilling and follow-up of 1,000 metres of RC drilling and 2,000 metres of diamond drilling contingent on positive results from first pass drilling and down-hole EM surveys.

The Langi Logan prospect requires three lines of IP to fine tune the interpreted contact of sulphidic sediments and the basalt dome to be followed by drilling of a panel of six drill holes on the northwest margin of the dome and a set of holes to bracket the previous result in the southwest. Expected drilling will be in the order of 2,000 metres of pre-collared diamond drill holes. RC drilling is problematic in this area due to unconsolidated sediments beneath tertiary basalt cover.

(b) Stavely Project

The primary method to further evaluate the potential is by deep drilling programme with the objective of testing structural, geologic and geophysical targets. If not successful in the first pass of deep drilling, the geology, structure, geochemistry and alteration mineralogy of these drill holes will be assessed to provide further vectors to economic mineralisation and target a second phase of drill testing.

An initial phase of deep drill holes have been planned to test the Thursday's Gossan area (including Junction). Drill testing of the newly identified inferred porphyry under Mt Stavely may be included in a second phase of drilling after geochemical sampling programmes are completed. Planned first-pass deep drilling includes 6 drill holes, as follows:

- 4 x 700 metre deep drill holes targeting below IP chargeability anomalies and geological targets at Thursday's Gossan; and
- 2 x 500 metre deep drill holes at the Junction porphyry target,

for some 3,800 metres of diamond drilling with the option of extending holes in-progress beyond the planned depth if the hole is in well-developed mineralisation/alteration.

Drilling is planned with 100 metre pre-collars either by reverse circulation (RC) or mud rotary and then commence coring with HQ size triple tube. It is further recommended to use a UDR1200 or similar high capacity drill rig.

The Stavely Project includes numerous exploration targets including:

- Thursday's Gossan Chalcocite Mineral Resource;
- Thursday's Gossan Sulphide target;
- Thursday's Gossan porphyry target;
- Junction porphyry target;
- Junction 1 porphyry target;
- Junction 3 porphyry target;
- Mt Stavely porphyry target;

- Fairview North epithermal gold target;
- Fairview South epithermal gold target;
- Wickliffe VMS target; and
- Patanga porphyry target,

and is considered to present opportunities for discovery of porphyry copper-gold and VMS base-metals +/- gold deposits.

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Appendix 1: Mt Ararat Mineral Resource Estimate

The Mount Ararat May 2013 Inferred Resource Estimate is an inverse distance squared Cu, Au, Ag and Zn estimate of the planar, steeply dipping VMS style mineralisation of the deposit and is tabulated below. The estimate was undertaken, classified and reported according to the guidelines set out in *The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserve (the JORC Code, 2012 Edition)*.

The Mount Ararat Inferred Resource Estimate:

Mount Ararat 2013 Inferred Resouce *(JORC, 2012 Edition)*						
Reporting Cut (%Cu)	**Mineralisation**	**Tonnes (KT)**	**Cu (%)**	**Au (ppm)**	**Ag (ppm)**	**Zn (%)**
0.5	Oxide/Weathered	310	1.5	0.4	2.9	0.2
	Supergene	80	2.3	0.5	4.7	0.3
	Primary >=2m	290	2.3	0.5	6.4	0.5
	Primary <2m	770	1.7	0.4	5.7	0.4
	Total Inferred	**1450**	**1.8**	**0.4**	**5.2**	**0.3**
1.0	Oxide/Weathered	220	1.7	0.4	3.2	0.2
	Supergene	80	2.5	0.5	4.9	0.3
	Primary >=2m	280	2.4	0.6	6.6	0.5
	Primary <2m	620	1.9	0.5	6.3	0.4
	Total Inferred	**1200**	**2.0**	**0.5**	**5.7**	**0.4**
2.0	Oxide/Weathered	70	2.6	0.7	4.7	0.2
	Supergene	50	2.9	0.7	5.3	0.3
	Primary >=2m	140	3.1	0.8	7.3	0.5
	Primary <2m	160	2.9	0.6	8.6	0.6
	Total Inferred	**420**	**2.9**	**0.7**	**7.1**	**0.5**

Table shows rounded estimates. This rounding may cause apparent computational discrepancies. Significant figures do not imply precision. Nominal copper grade reporting cuts applied. Four material types reported as varied economic factors will be applicable to the deposit base on reported material types.

The estimate:

- Is based on historic drilling data of unknown reliability and quality however there are no obvious reasons to question that the holes were drilled to test a discrete steeply dipping body of basemetal mineralisation.
- Extends for a strike length of 830m (towards 335deg), vertically for 350m and ranges mostly between 1m and 3m thick (total massive + sub-massive + stringer mineralisation). The mineralisation is modelled between 4m and 14m thick in the upper 50m (this may be real, due to supergene actions or introduced due to the suspected wet/difficult RC drilling conditions).
- Is underpinned by 266 Cu assays from 55 holes (243 nominal 1m composites). High grade restrictions are applied to the Cu, Au, Ag and Zn grade interpolations (55m radius of influence). A tonnage factor of 3.17g/cc was applied to all mineralised blocks.
- Reconciles well both statistically and spatially with the source assay data.

Was undertaken by Duncan Hackman who is a member of the Australian Institute of Geoscientists and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity 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 (The JORC Code, 2012 Edition).

Sampling Techniques and Data

Criteria	Explanation
Sampling techniques	Resource estimate underpinned by diamond drilling (DD) and reverse circulation drilling (RC) drilling samples.
Drilling techniques	Drilling details for the Mount Ararat resource drillhole dataset

Company	Drill Type	Number	Min Length	Max Length	Av. Length
Pennzoil	DD	12	121	381	221
Centaur Mining	DD	18	27	221	83
	RC	20	28	65	48
Beaconsfield Gold	DD	4	111	142	121
	RC	6	18	37	27
Total		**60**	**18**	**381**	**96**

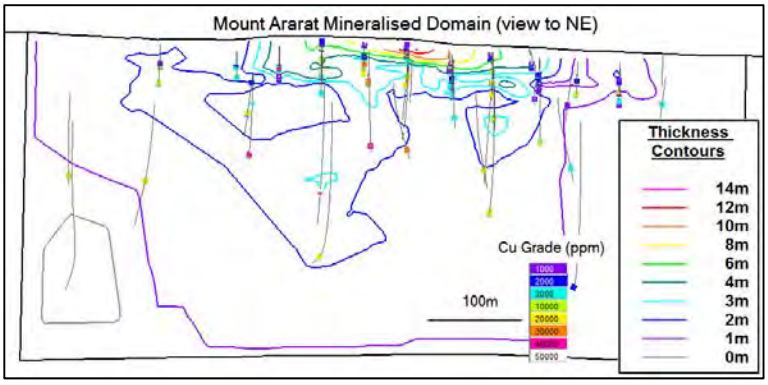
Drill sample recovery	No detailed information or data: Historic reports state that diamond holes had relatively low core recoveries in the weathered and oxidized mineralized zone.
Logging	lithological drill logs utilised.
Sub-sampling techniques and sample preparation	Pennzoil: Half-core samples were taken from core showing visible mineralisation. Centaur Mining: MA24 to MA38: Half-core samples were taken from core showing visible mineralisation. Sample reduction process unknown. MA39A to MA58: 130mm RC chips from drilling configuration utilising back-end cross-over sub to return sample. Sample collection by splitting *(details unknown)* and sample reduction process unknown. M94_1 to M94_4: Half-core samples were taken from core showing visible mineralisation. Sample reduction process unknown. Beaconsfield Gold: ARD001 to ARD004: diamond drilling – sampling method and reduction unknown. ARC001 to ARC006: 84mm RC chips. Sample collected by passing through 3 tiered riffle splitter. Sample reduction process unknown.
Quality of assay data and laboratory tests	Pennzoil: A base metal suite was assayed via AAS *(digestion not specified)* and Au was assayed via fire assay. Centaur Mining: MA24 to MA38: A base metal suite was assayed via AAS *(digestion not specified)* and Au was assayed via fire assay. MA39A to MA58: A base metal suite was assayed via AAS *(digestion not specified)* and Au was assayed via fire assay. M94_1 to M94_4: A base metal suite was assayed 4 acid digest with AAS finish and Au was assayed via fire assay. Beaconsfield Gold: ARD001 to ARD004: Assay Lab – Onsite Lab Services. Cu initially by method B101 - AR digest ICP finish. If higher than 5000ppm then A101 - Ore grade digest *(details unknown)* with AA finish. Au by PE01S - 25g Fire Assay. ARC001 to ARC006: Assay Lab – Onsite Lab Services. Cu initially by method B101 - AR digest ICP finish. If higher than 5000ppm then A101 - Ore grade digest *(details unknown)* with AA finish. Au by PE01S - 25g Fire

Criteria	Explanation
	Assay. No quality control samples submitted with any routine samples
Verification of sampling and assaying	No available data available for analysis
Location of data	Drillholes originally located according to two local grids (details unknown). Collar coordinates were converted to GDA94 zone 54S by historic workers. Conversion details are unknown. The estimate is undertaken using the supplied GDA94 54S grid references GPS checking of 2 Pennzoil, 3 Centaur Mining and 4 Beaconsfield Gold hole collar locations show holes located with acceptable accuracy for reporting of Inferred Resources.
Data spacing and distribution	Within the central 500m of mineralisation (strike length): Oxide mineralisation – drill tested on 50m centred section lines Primary mineralisation – sparsely tested by 12 holes Other areas and mineralisation extent tested by 8 holes
Orientation of data in relation to geological structure	Holes drilled at 9degrees (Azimuth) to planar mineralisation. Holes angled mostly between 50 and 70 degrees easterly. Mineralised plane dips westerly ~60degrees
Sample security	No available data to assess security
Audits or reviews	GPS checking of 9 hole collar locations Basic checking of data integrity

Reporting of Exploration Results

Criteria	Explanation
Mineral tenement and land tenure status	Mineralisation straddles boundary between exploration licences EL4758 (expires 28/01/2014) and EL3019 (expires 21/12/2014) Tenements currently held by by Northern Platinum Pty Ltd Northern Platinum have submitted an application for a retention licence over the tenements.
Exploration done by other parties	Pennzoil: 12 holes drilled into mineralisation. Centaur Mining: 38 holes drilled into mineralisation. Beaconsfield Gold: 10 holes drilled into mineralisation Northern Platinum: GPS checking of 9 hole collar locations
Geology	Steeply westerly dipping, single planar massive sulphide horizon (historically described as VMS)
Drill hole Information	60 holes drilled in the prospect, 55 holes intercepted mineralisation, 5 holes define the strike extent of mineralisation. Collar locations verified as acceptable through field checking of 9 holes Downhole surveys for describing hole trace and sample locations available for 16 holes: {table} Assaying of those samples logged with visible sulphide mineralisation Lithology logs available for all holes Oxidation state available for 34 Centaur Mining holes.

HoleID	Number of DH Surveys	TDepth Hole	HoleID	Number of DH Surveys	TDepth Hole
ARD001	3	111.3	PENZ001	1	132.8
ARD002	6	114.2	PENZ003	1	151.6
ARD003	5	141.6	PENZ006	1	152.4
ARD004	5	117.6	PENZ009	1	218.5
M94_1	4	220.7	PENZ010	1	252.3
M94_2	4	198.0	PENZ011	1	381.2
M94_3	3	192.0	PENZ021	3	364.4
M94_4	4	204.2	PENZ023	4	329.4

<table>
<tr><th>Criteria</th><th>Explanation</th></tr>
<tr><td></td><td>Summary moisture data available for 18 Centaur Mining RC holes.
39 SG measurements taken from 4 Beaconsfield Gold holes ARD[001-004]</td></tr>
<tr><td>Data aggregation methods</td><td>Assay sample intervals:
<table>
<tr><th rowspan="2">Drill Type</th><th colspan="8">Count of Sample Lengths</th></tr>
<tr><th>0.0 to 0.5m</th><th>0.5 to 1.0m</th><th>1.0 to 1.5m</th><th>1.5 to 2.0m</th><th>2.0 to 2.5m</th><th>2.5 to 3.0m</th><th>3.0 to 3.5m</th><th>Total</th></tr>
<tr><td>DD</td><td>102</td><td>85</td><td>14</td><td>6</td><td></td><td>1</td><td>1</td><td>209</td></tr>
<tr><td>RC</td><td>1</td><td>284</td><td></td><td></td><td></td><td></td><td></td><td>285</td></tr>
<tr><td>Total</td><td>103</td><td>369</td><td>14</td><td>6</td><td></td><td>1</td><td>1</td><td>494</td></tr>
</table>
Composited to 1m intervals for resource estimate.</td></tr>
<tr><td>Relationship between mineralisation widths and intercept lengths</td><td>No apparent association when data assessed by drill type and mineralisation style breakdown.
Significant relationship differences when assessing DD vs RC holes:
<table>
<tr><th rowspan="2">Drill Type</th><th rowspan="2">Number of Holes</th><th rowspan="2">Total Metres</th><th rowspan="2">Average Intercept</th><th colspan="4">Average Grade (ppm)</th></tr>
<tr><th>Cu</th><th>Au</th><th>Ag</th><th>Zn</th></tr>
<tr><td>Diamond</td><td>34</td><td>82</td><td>2.4</td><td>31123</td><td>0.95</td><td>9.1</td><td>4384</td></tr>
<tr><td>Reverse Circulation</td><td>26</td><td>145</td><td>5.6</td><td>15551</td><td>0.23</td><td>1.7</td><td>1614</td></tr>
</table>
Smearing and/or preferential loss and/or cross-contamination of samples may be present in RC drill sample assay dataset.
Preferential loss of friable non-mineralised material may have biased the DD drill sample assay dataset
Both the RC and DD datasets may be preferentially weighted by material with significantly different tenor of in situ grade</td></tr>
<tr><td>Diagrammes</td><td>Historic cross sections and plans were reviewed
Long section thickness and drillhole trace figure:
 
</td></tr>
<tr><td>Balanced reporting</td><td>Selective sampling of holes where mineralisation observed considered acceptable for estimating sulphide resources. Any gold or silver mineralisation intercepted by drilling with no associated sulphides will not be identifiable in the current dataset.</td></tr>
<tr><td>Other substantive exploration data</td><td>A further 53 holes have been drilled within the exploration tenements.</td></tr>
<tr><td>Further work</td><td>Mineralisation thins but is open at depth and opportunities for defining drilling targets (thick shoots)</td></tr>
</table>

Estimation and Reporting of Mineral Resources

Criteria	Explanation
Database integrity	Data management protocols and provenance unknown Limited cross checks with paper records of drill hole and assay data Field verification of 9 hole collar locations. Relational and spatial integrity assessed and considered acceptable.
Site visits	Not undertaken by CP Northern Platinum personnel verify existence of core. CP has viewed photos of chip trays with mineralisation taken by Northern Platinum Personnel.
Geological interpretation	Single planar mineralised massive sulphide body interpreted and modelled for grade interpolation. Oxide state modelled and utilised for reporting of resource estimate.
Dimensions	Mineralisation extends for a strike length of 830m (towards 335deg), vertically for 350m and ranges mostly between 1m and 3m thick (total massive + sub-massive + stringer mineralisation). The mineralisation is modelled between 4m and 14m thick in the upper 50m (this may be real, due to supergene actions or introduced due to the suspected wet/difficult RC drilling conditions) The block model and grade estimate encompasses the extent of the mineralisation.
Estimation and modelling techniques	Copper, gold, silver and zinc grades were interpolated into a Vulcan™ non-regular block model with 10x10x10 metre parent blocks – subblocked to 1x1x1 metre minimum block dimensions. 1m composite intervals utilised. Grades greater than: 6%Cu, 2.50ppmAu, 15ppmAg, 1%Zn, were restricted to inform blocks within a 55m radius of their location. Single pass ID2 interpolation run employed utilising 400m sample search within the plane of mineralisation. Minimum of 20 and maximum of 40 composites utilised to estimate grade. The Mt Ararat resource is classified as Inferred under the guidelines set out in the 2012 JORC Code.
Moisture and recovery	15 of 18 RC holes drilled by Centaur Mining encountered wet drilling through the mineralisation. Grade profiles suggest down hole smearing of grade (cross-contamination) in the oxide/supergene mineralisation. Core recovery averages 85% through the oxide/weathered mineralisation, down from >97% recorded for the supergene and primary mineralisation. There is no information or data to assess the affect core loss has on grade.
Cut-off parameters	The resource is reported by mineralisation thickness and oxidation state. Cuts of 0.5%, 1.0% and 2.0% copper were applied. These breakdowns and grade tonnage plots are reported to allow differing economic assessment on the project.
Mining factors or assumptions	Not applied, however resource is reported at 1m and 2m thicknesses and by oxidation state to allow for assessment of both underground and open cut mining methods.
Metallurgical factors or assumptions	Not evaluated as risks associated with historic data over-riding feature affecting the confidence of the estimate.

Criteria	Explanation
Environmental factors or assumptions	Not evaluated as risks associated with historic data over-riding feature affecting the confidence of the estimate.
Bulk Density	A single tonnage factor of 3.17 tonnes/m^3 was applied to all mineralisation.
Classification	The estimate is classified as Inferred under the JORC Code (2012 Edition). Absence of QA/QC and important data for evaluating risk to the estimate (such as recover and moisture versus grade) are key factors in assigning an Inferred Classification.
Audits or reviews.	No Audit or Review of estimate undertaken.
Discussion of relative accuracy/ confidence	Not undertaken other than that stated under the classification section.

Appendix 2: Thursday's Gossan Mineral Resource Estimate

The Thursday Gossan Chalcocite Copper August 2013 Inferred Resource estimate is an inverse distance squared Cu estimate of the tabular sub-horizontal supergene style mineralisation of the deposit and is tabulated below. The estimate was undertaken, classified and reported according to the guidelines set out in *The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserve (the JORC Code, 2012 Edition)*.

The Thursday Gossan Chalcocite Copper Inferred Resource Estimate:

Thursday Gossan Chalcocite Copper August 2013 Inferred Resources *(JORC 2012 Edition)*					
Copper Mineralisation Subdivision		**Lower Cu Cut (%)**	**Tonnes (MT)**	**Copper Grade (%)**	**Contained Copper (KT)**
Mineralisation greater than 10m thick	**10 to 20m thick**	0.20	8.5	0.3	28.1
		0.30	4.5	0.4	18.4
		0.50	0.5	0.7	3.4
	Greater than 20m thick	0.20	14.4	0.4	61.7
		0.30	9.7	0.5	49.7
		0.50	3.1	0.8	24.8
	Sub Total (greater than 10m thick)	***0.20***	***22.9***	***0.4***	***89.8***
		0.30	***14.2***	***0.5***	***68.0***
		0.50	***3.7***	***0.8***	***28.2***
Mineralisation less than 10m thick		0.20	5.1	0.3	17.1
		0.30	2.5	0.4	10.6
		0.50	0.2	0.9	2.1
Total Mineralisation		**0.20**	**28.1**	**0.4**	**106.9**
		0.30	**16.7**	**0.5**	**78.6**
		0.50	**3.9**	**0.8**	**30.3**

Table shows rounded estimates. This rounding may cause apparent computational discrepancies. Significant figures do not imply precision. Nominal copper grade reporting cuts applied. Three mineralised thicknesses reported as varied economic factors are likely to be applicable to each.

The estimate:

- Is based on historic drilling data of unknown reliability and quality however there are no obvious reasons to question that the holes were drilled to test a flat lying supergene copper deposit.
- Extends intermittently for a strike length of 4000m (NS) a breadth of 1500m and vertically up to 60m thick. The model includes prospects known as Thursday Gossan Chalcocite Copper, Junction and Drysdale.
- Is underpinned by 2355 Cu assays from 225 holes (1493 nominal 3m composites). Cu grades were interpolated without any cuts or restrictions. A tonnage factor of 2.10g/cc was applied to all mineralised blocks.
- Reconciles well both statistically and spatially with the source assay data.
- Was undertaken by Duncan Hackman who is a member of the Australian Institute of Geoscientists and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity 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 (The JORC Code, 2012 Edition).

JORC 2012 Table 1, Sections 1,2 and 3 criteria.

Section 1: Sampling Techniques and Data

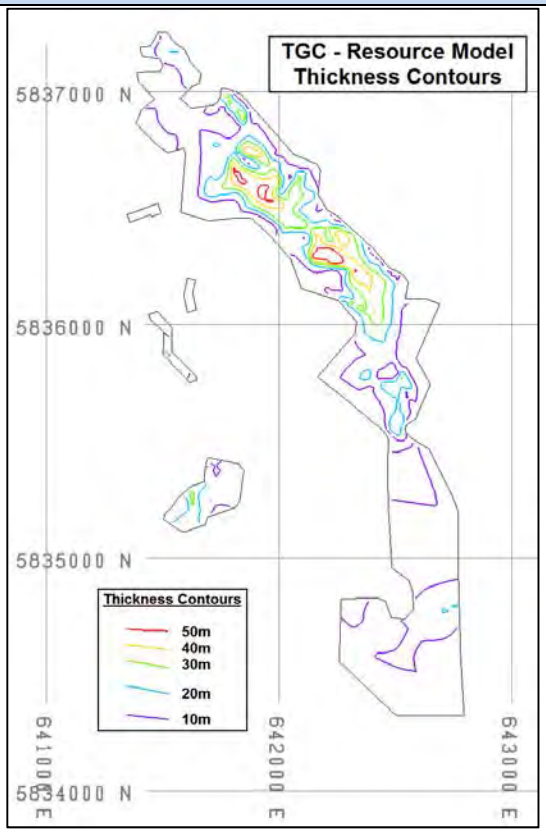
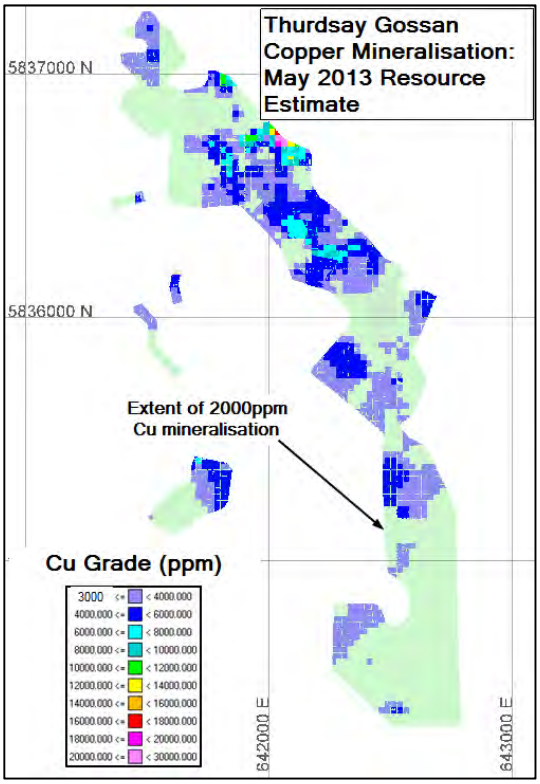
<table>
<tr><th>Criteria</th><th>Explanation</th></tr>
<tr><td>Sampling techniques</td><td>Resource estimate underpinned by diamond drilling (DD), aircore drilling (AC), reverse air blast drilling (RAB) and reverse circulation drilling (RC) samples:
Pennzoil (1 RC, 14 RAB holes): 2m Samples selected where mineralisation observed. 13 RAB holes sampled every alternate 2m intervals. No details on sampling methods.
North (4 DD, 1 AC, 85 RAB) and Newcrest (3 DD): Diamond holes ½ core sampled. No details on sampling of RC, RAB and Aircore holes.
Beaconsfield Gold (2 DD, 78 AC): Diamond holes ½ core sampled. Aircore holes were sampled by spearing of material on 2m or 3m intervals where no mineralisation was observed and on 1m intervals where mineralisation was observed.
TGM Group (26 AC): No details.</td></tr>
<tr><td>Drilling techniques</td><td>Drilling details for the TGC resource drillhole dataset
<table>
<tr><th>Drill Type</th><th>Company</th><th>Count</th><th>Av. DFrom to Min. Top (m)</th><th>Av. Dto to Min. Base (m)</th><th>Av. Min. Int Length (m)</th><th>Av. Cu (ppm)</th></tr>
<tr><td rowspan="3">AC</td><td>BCD</td><td>78</td><td>32</td><td>56</td><td>24</td><td>4080</td></tr>
<tr><td>North</td><td>1</td><td>20</td><td>62</td><td>42</td><td>3090</td></tr>
<tr><td>TGM Group</td><td>26</td><td>33</td><td>55</td><td>22</td><td>3496</td></tr>
<tr><td>AC Total</td><td></td><td>105</td><td>32</td><td>56</td><td>24</td><td>3926</td></tr>
<tr><td rowspan="5">DD</td><td>BCD</td><td>2</td><td>86</td><td>93</td><td>7</td><td>23586</td></tr>
<tr><td>CRAE</td><td>2</td><td>41</td><td>54</td><td>13</td><td>3237</td></tr>
<tr><td>Newcrest</td><td>3</td><td>56</td><td>85</td><td>29</td><td>3927</td></tr>
<tr><td>North</td><td>4</td><td>37</td><td>63</td><td>26</td><td>3541</td></tr>
<tr><td>Pennzoil</td><td>1</td><td>20</td><td>28</td><td>8</td><td>5250</td></tr>
<tr><td>DD Total</td><td></td><td>12</td><td>49</td><td>69</td><td>20</td><td>7070</td></tr>
<tr><td rowspan="2">RAB</td><td>North</td><td>85</td><td>31</td><td>46</td><td>15</td><td>2948</td></tr>
<tr><td>Pennzoil</td><td>14</td><td>22</td><td>35</td><td>13</td><td>2587</td></tr>
<tr><td>RAB Total</td><td></td><td>99</td><td>30</td><td>45</td><td>15</td><td>2897</td></tr>
<tr><td rowspan="2">RC</td><td>BCD</td><td>8</td><td>27</td><td>45</td><td>17</td><td>4498</td></tr>
<tr><td>Pennzoil</td><td>1</td><td>2</td><td>34</td><td>32</td><td>11944</td></tr>
<tr><td>RC Total</td><td></td><td>9</td><td>24</td><td>43</td><td>19</td><td>5326</td></tr>
<tr><td colspan="2">Total All Drilling</td><td>225</td><td>32</td><td>51</td><td>20</td><td>3697</td></tr>
</table></td></tr>
<tr><td>Drill sample recovery</td><td>Recovery data available for 2 DD holes.</td></tr>
<tr><td>Logging</td><td>Lithology logs through mineralisation available for all holes.
Incomplete oxidation-state and interval colour logging (utilised to determine base of supergene zone).</td></tr>
<tr><td>Sub-sampling techniques and sample preparation</td><td>Pennzoil (1 RC, 14 RAB holes): No details on sampling and sample preparation methodology.
North (4 DD, 1 AC, 85 RAB) and Newcrest (3 DD): No details sample preparation methodology.
Beaconsfield Gold (2 DD, 78 AC): No information on sample preparation methodology.
TGM Group (26 AC): No details</td></tr>
<tr><td>Quality of assay data and laboratory tests</td><td>Pennzoil (1 RC, 14 RAB holes): A base metal suite was assayed via AAS (digestion not specified) and Au was assayed via fire assay.
North (4 DD, 1 AC, 85 RAB) and Newcrest (3 DD): A base metal suite was assayed via Mixed Acid digest, AAS detection and Au was assayed via fire assay.
Beaconsfield Gold (2 DD, 78 AC): OnSite Laboratory Services (Bendigo) analysed all samples for Cu by aqua regia digest ICP-OES detection and repeated assays for samples returning greater than 5000ppm Cu by Mixed Acid Digest ICP-OES detection. Au was assayed via fire assay.</td></tr>
</table>

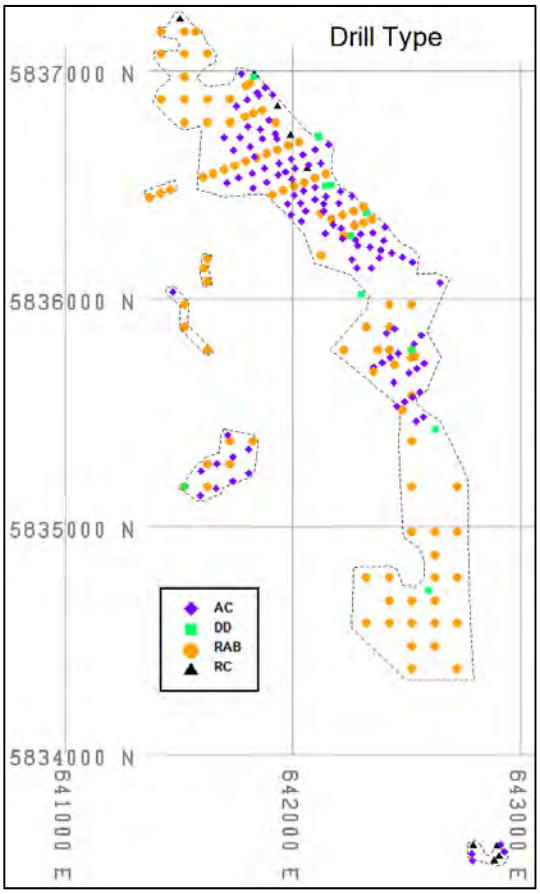
Criteria	Explanation
	TGM Group (26 AC): No details. "Cherry-picking" of best assays from reassayed samples (85 of 160 substituted) has introduced a +10% relative bias for 9 holes used in the resource estimate. No QC samples were inserted into any of the sample batches from the Thursday Gossan drilling. No laboratory QC data was made available for assessment as part of this resource estimate. Beaconsfield Gold undertook a limited (selective) umpire laboratory programme (29 samples), entire residual material assaying (94 intervals) and 66 sub-sample assays of residual material (66 intervals). These projects provide limited insight into sampling and assay reliability. This data indicates that: Both significant bias and precision issues are suspected in the Beaconsfield Gold dataset (OnSite Laboratory) and that there appears to be a period of instrument malfunction or systems/procedural breakdown at grades greater than 3000ppm Cu at the laboratory. The spear vs total sample dataset shows a significant relative bias in favour of the spear sample, manifesting greatest within samples containing higher copper grades.
Verification of sampling and assaying	Beaconsfield Gold undertook a limited (selective) umpire laboratory programme (29 samples), entire residual material assaying (94 intervals) and 66 sub-sample assays of residual material (66 intervals). These projects provide limited insight into sampling and assay reliability.
Location of data	Holes within the Thursday Gossan area are recorded as being surveyed under three systems: AMG66 zone 54S, MGA zone 54 and GDA94 zone 54S. All coordinates were converted to GDA94 zone 54S by previous workers. These conversions have not been checked by NPT or HA. The August 2013 estimate is undertaken using the supplied GDA94 54S grid references. Beaconsfield Gold holes were located by hand held GPS. No information on survey methods for other workers.
Data spacing and distribution	Area showing the thickest and highest tenor of mineralisation tested at nominal 50m centres by predominantly vertical holes. Areas less well mineralised tested mostly at 100m centres by vertical drillholes
Orientation of data in relation to geological structure	Drill orientation appropriate for testing of flat-lying mineralisation Underlying geology indicates that primary mineralisation may be sub vertical. Supergene mineralisation is controlled by pre-existing geology, groundwater movement and surface/weathering events. It is unknown from the current dataset if there is any sub-vertical fabric within the supergene mineralisation and if so then vertical holes will not adequately sample this feature of the mineralisation.
Sample security	No available data to assess security
Audits or reviews	Basic checking of data integrity

Section 2: Reporting of Exploration Results

Criteria	Explanation
Mineral tenement and land tenure status	The mineralisation is situated within exploration licence EL4556 (expires 05/04/2014) which is currently held by Northern Platinum Pty Ltd. Northern Platinum advises that the tenement is considered in good standing by the Victorian Department of Environment and Primary Industries and that they cannot foresee any reasons that would inhibit the tenement being renewed for a further term in 2014.

<table>
<tr><th>Criteria</th><th>Explanation</th></tr>
<tr><td>Exploration done by other parties</td><td>Pennzoil: 1 RC, 14 RAB holes
North: 4 DD, 1 AC, 85 RAB holes
TGM Group: 26 AC holes
Beaconsfield Gold: 2 DD, 78 AC holes
Beaconsfield Gold: Resource Estimate undertaken by Coffey Mining Pty Ltd (2008)</td></tr>
<tr><td>Geology</td><td>Supergene enrichment of hydrothermally altered host rocks, where fine grained chalcocite and covellite have partially replaced pyrite and chalcopyrite grains.</td></tr>
<tr><td>Drill hole Information</td><td>225 holes drilled in the prospect.
Collar locations not verified however plot within acceptable levels from SRTM derived topographic surface.
Downhole surveys for describing hole trace and sample locations available for 4 of 40 angled holes. 185 vertical holes drilled.
Pennzoil assayed intervals logged with visible sulphide mineralisation.
Sampling interval breakdown:
<table>
<tr><th rowspan="2">Drill Type</th><th rowspan="2">Company</th><th colspan="5">Count of Sample Lengths</th></tr>
<tr><th>0 to 1m</th><th>1 to 2m</th><th>2 to 3m</th><th>3 to 5m</th><th>Total</th></tr>
<tr><td rowspan="3">AC</td><td>BCD</td><td>833</td><td>258</td><td>177</td><td>1</td><td>1269</td></tr>
<tr><td>North</td><td></td><td>21</td><td></td><td></td><td>21</td></tr>
<tr><td>TGM Group</td><td></td><td></td><td>187</td><td></td><td>187</td></tr>
<tr><td>AC Total</td><td></td><td>833</td><td>279</td><td>364</td><td>1</td><td>1477</td></tr>
<tr><td rowspan="4">DD</td><td>BCD</td><td>3</td><td>4</td><td>1</td><td>1</td><td>9</td></tr>
<tr><td>CRAE</td><td>1</td><td>10</td><td>2</td><td></td><td>13</td></tr>
<tr><td>Newcrest</td><td>38</td><td>25</td><td></td><td></td><td>63</td></tr>
<tr><td>North</td><td>96</td><td>4</td><td></td><td></td><td>100</td></tr>
<tr><td>Pennzoil</td><td>8</td><td></td><td></td><td></td><td>8</td></tr>
<tr><td>DD Total</td><td></td><td>146</td><td>43</td><td>3</td><td>1</td><td>193</td></tr>
<tr><td rowspan="2">RAB</td><td>North</td><td></td><td>1</td><td>436</td><td>2</td><td>439</td></tr>
<tr><td>Pennzoil</td><td>1</td><td>92</td><td></td><td></td><td>93</td></tr>
<tr><td>RAB Total</td><td></td><td>1</td><td>93</td><td>436</td><td>2</td><td>532</td></tr>
<tr><td rowspan="2">RC</td><td>BCD</td><td>136</td><td></td><td>1</td><td></td><td>137</td></tr>
<tr><td>Pennzoil</td><td></td><td>16</td><td></td><td></td><td>16</td></tr>
<tr><td>RC Total</td><td></td><td>136</td><td>16</td><td>1</td><td></td><td>153</td></tr>
<tr><td colspan="2">Total</td><td>1116</td><td>431</td><td>804</td><td>4</td><td>2355</td></tr>
</table>
Lithology logs through mineralisation available for all holes.
Incomplete oxidation-state and interval colour logging (utilised to determine base of supergene zone).
Summary moisture data available for 28 AC/RC holes show that all bar one hole encountered water through the mineralised interval.
Recovery data available for 2 DD holes.
SG measurements taken from Beaconsfield Gold hole TGDD46. No mention of drying samples. May be more akin to bulk density measurements than dry bulk density measurements.</td></tr>
<tr><td>Data aggregation methods</td><td>Assays composited to 3m for resource estimation.</td></tr>
<tr><td>Relationship between mineralisation widths and intercept lengths</td><td>No obvious association other than, as expected with supergene mineralisation, globally thicker mineralisation has higher tenor of copper.</td></tr>
<tr><td>Diagrammes</td><td>No historic or client produced diagrammes available for review.
Thickness plan:</td></tr>
</table>

Criteria	Explanation
	 Copper grade plan: 

Criteria	Explanation
	Drillhole plan: 
Balanced reporting	Selective sampling of holes where mineralisation observed considered acceptable for estimating sulphide resources. Alternative sampling and "cherry picking" practices assessed as having negligible effect on global estimate but will be a limiting factor in lifting local resources to higher than Inferred classification under the JORC Code (2012 Edition) 66 of the 225 holes terminate within mineralisation; however surrounding holes adequately define the base of mineralisation.
Other substantive exploration data	A further 683 holes within and surrounding the prospect area were utilised for defining the resource mineralisation.
Further work	Evaluation of area for discovery of styles of mineralisation other than the defined supergene mineralisation.

Section 3: Estimation and Reporting of Mineral Resources

Criteria	Explanation
Database integrity	Data management protocols and provenance unknown. Limited cross checks with paper records of drill hole and assay data. Relational and spatial integrity assessed and considered acceptable.
Site visits	Not undertaken by CP CP has viewed photos of chip trays with mineralisation taken by Northern Platinum Personnel.
Geological interpretation	Single planar flat-lying horizon of supergene mineralisation containing areas where mineralisation thickens and copper grade tenor increases. A 0.2%Cu cut was utilised to domain the extents of the better

Criteria	Explanation
	mineralisation and this domain used as a hard boundary for grade interpolation.
Dimensions	Extends intermittently for a strike length of 4000m (NS) a breadth of 1500m and vertically up to 60m thick. The model includes prospects known as Thursday Gossan Chalcocite Copper, Junction and Drysdale. The block model and grade estimate encompasses the extent of the mineralisation.
Estimation and modelling techniques	Copper grades were interpolated into a Vulcan™ non-regular block model with 20x20x10 metre parent blocks – subblocked to 2.5x2.5x2.5 metre minimum block dimensions. 3m composite intervals utilised. No high grade sample treatment applied. Single pass ID2 interpolation run employed utilising 200m sample search within the plane of mineralisation (97.8% of blocks within the TIN domain estimated). Minimum of 10 and maximum of 20 composites utilised to estimate grade. The Mt Ararat resource is classified as Inferred under the guidelines set out in the 2012 JORC Code.
Moisture and Recovery	27 of 28 AC/RC holes with moisture information recorded wet drilling conditions through the mineralisation. It is unknown if the wet conditions has introduced bias or contamination into the dataset as relevant/detailed information is not available. Available core recovery data suggests that biases caused by both loss and enrichment may be affecting the resource dataset.
Cut-off parameters	The resource estimate is reported at 0.2%, 0.3% and 0.5% Cu cuts and by three mineralised thicknesses domains - <10m, 10-20m and >20m thick. These breakdowns and grade tonnage plots are reported to allow differing economic assessment on the project.
Mining factors or assumptions	Not applied, however resource is reported at three thicknesses for input into this discipline.
Metallurgical factors or assumptions	Not evaluated as risks associated with historic data over-riding feature affecting the confidence of the estimate.
Environmental factors or assumptions	Not evaluated as risks associated with historic data over-riding feature affecting the confidence of the estimate.
Bulk Density	A single tonnage factor of 2.10 tonnes/m^3 was applied to all mineralisation.
Classification	The estimate is classified as Inferred under the JORC Code (2012 Edition). Absence of QA/QC, the indicated sampling and assaying issues and absence of important data for evaluating other risks to the estimate (such as recover and moisture versus grade) are key factors in assigning an Inferred Classification.
Audits or reviews.	No Audit or Review of estimate undertaken
Discussion of relative accuracy/ confidence	Not undertaken other than that stated under the classification section.

Appendix 3: Drill Intercepts and Collar Plans

Thursdays Gossan Sulphide Prospect											
		MGA 94 zone 54				Intercept					
Hole id	Hole Type	East	North	Dip/ Azimuth	Total Depth (m)	From	To	Width	Cu (%)	Au (g/t)	Ag (g/t)
SNDD001	DD	642108.0	5836717.0	-50/253	321.9	94.7	102.4	7.7	4.14	1.08	77
						128.8	131.8	3.0	0.58	No assays	9
						154.6	164.1	9.5	2.93	0.44	42
						198.0	200.4	2.4	0.73	No assays	14
						225.9	227.4	1.5	1.49	No assays	15
						299.0	300.3	1.3	0.66	0.04	12
						306.2	312.0	5.9	1.15	0.15	20
SNDD002	DD	641951.0	5837005.0	-50/233	284.5	196.1	197.3	1.2	0.96	bdl	88
						267.5	270.0	2.5	0.75	0.10	23
SNDD003	DD	642111.0	5836714.0	-50/198	150.7	78.3	83.0	4.7	0.70	0.12	No assays
						108.2	109.6	1.4	1.09	0.08	No assays
SNDD004	DD	642118.0	5836757.0	-57/228	229.8	Cu anomalism 142.8 - 146 3.2m @ 0.31% Cu					
SNDD005	DD	641860.0	5836680.0	-60/069	290.5	Cu anomalism 88.0 - 91.6m 3.6m @ 0.16% Cu, 107.7 - 109.9m 2.2m @ 0.24% Cu, 115.0 - 129.9m 14.9m @ 0.20% Cu, 158.8 - 164.7m 5.9m @ 0.30% Cu,					
TGRC137	RC	641930.0	5836848.0	-60/042	84.0	No significant intercepts					
TGRC138	RC	642060.0	5836575.0	-60/042	84.0	20.0	57.0	37	0.23	NSA	NSA
						25.0	26.0	1.0	0.65	0.02	bdl

Notes: Copper intercepts calculated >1m at 0.5% Cu

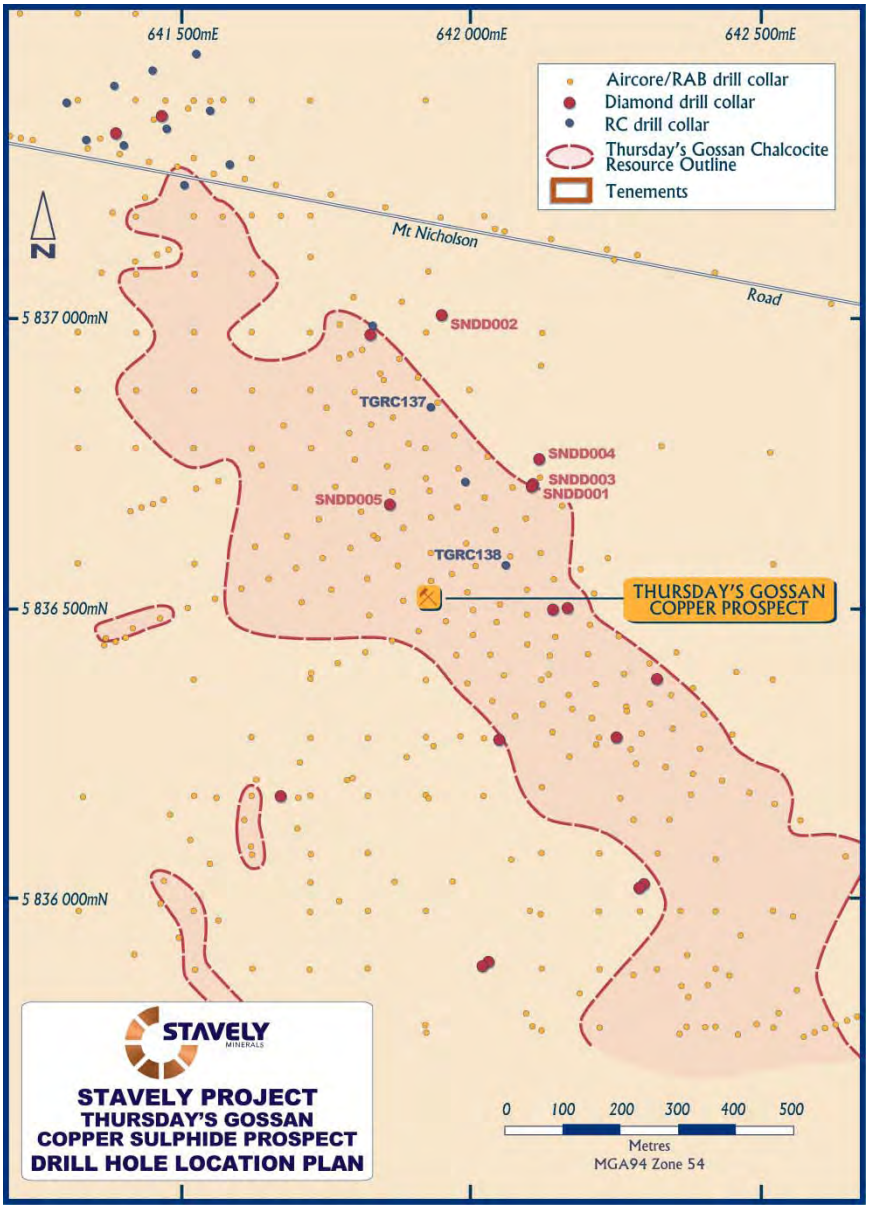


Figure 25. Thursday's Gossan Copper Sulphide Prospect Drill Hole Location Plan.

Junction 1 Copper Prospect											
		MGA 94 zone 54				Intercept					
Hole id	Hole Type	East	North	Dip/ Azimuth	Total Depth (m)	From	To	Width	Cu (%)	Ag (g/t)	Comments
PEND2J	DD	642861	5833657	-60/60	26	No Assays					
PEND3J	DD	642885	5833618	-60/60	72	No Assays					
PEND4J	DD	642924	5833658	-60/60	60.1	No Assays					
PEND5J	DD	642841	5833624	-60/60	42.6	No Assays					
PENP002	RC	642890	5833617	-70/160	28	22.0	24.0	2.0	0.13	7	
PENP003	RC	642850	5833581	-70/160	38	NSA					
PENP004	RC	642897	5833597	-60/160	34	0.0	12.0	12.0	1.15	11	
						28.0	34.0	6.0	3.90	25	Hole ended in mineralisation
STAVRA119	AC	642812	5833688	-90/0	39	NSA					
STAVRA120	AC	642822	5833478	-90/0	33.5	NSA					
STAVRA266	AC	642722	5833578	-90/0	27	NSA					
TGAC074	AC	642878	5833583	-52/242	38	NSA					
TGAC075	AC	642912	5833604	-52/242	51	NSA					
TGAC076	AC	642944	5833622	-52/242	17	Not sampled					
TGAC077	AC	642986	5833653	-52/242	21	NSA					
TGAC078	AC	642927	5833571	-52/242	59	4.0	10.0	6.0	2.26	13	
						24.0	59.0	35.0	3.40	26	Hole ended in mineralisation
TGAC079	AC	642890	5833638	-52/242	35	NSA					
TGAC080	AC	642996	5833540	-52/242	8	Not Sampled					
TGAC081	AC	642893	5833543	-50/62	12	Not Sampled					
TGAC107	AC	642790	5833490	-90/0	58	NSA					
TGRC082	RC	642905	5833552	-60/62	61	26.0	44.0	18.0	1.00	5	
TGRC083	RC	642965	5833520	-60/242	37	NSA					
TGRC084	RC	642932	5833498	-60/242	43	NSA					
TGRC085	RC	642894	5833708	-60/242	49	NSA					
TGRC086	RC	642849	5833682	-60/62	67	NSA					
TGRC087	RC	642882	5833535	-60/62	76	33.0	45.0	12.0	1.61	25	
TGRC088	RC	642914	5833491	-60/62	91	NSA					
TGRC108	RC	642789	5833525	-90/0	60	NSA					
TGRC109	RC	642784	5833563	-90/0	65	37.0	43.0	6.0	1.65	16	
TGRC110	RC	642788	5833533	-60/2	78	42.0	48.0	6.0	1.52	19	
						62.0	67.0	5.0	1.11	9	
						72.0	78.0	6.0	1.77	21	Hole ended in mineralisation
TGRC111	RC	642749	5833552	-60/2	72	NSA					
TGRC139	RC	642750	5833600	-90/0	49	3.0	4.0	1.0	1.26	NSA	
TGRC140	RC	642790	5833600	-90/0	55	2.0	28.0	26.0	0.25	NSA	

TGRC141	RC	642750	5833520	-60/0	79	NSA
TGRC142	RC	642960	5833540	-60/0	49	NSA
TGRC143	RC	642870	5833525	-60/0	6	NSA

Notes: Copper intercepts calculated >1m at 0.1% Cu

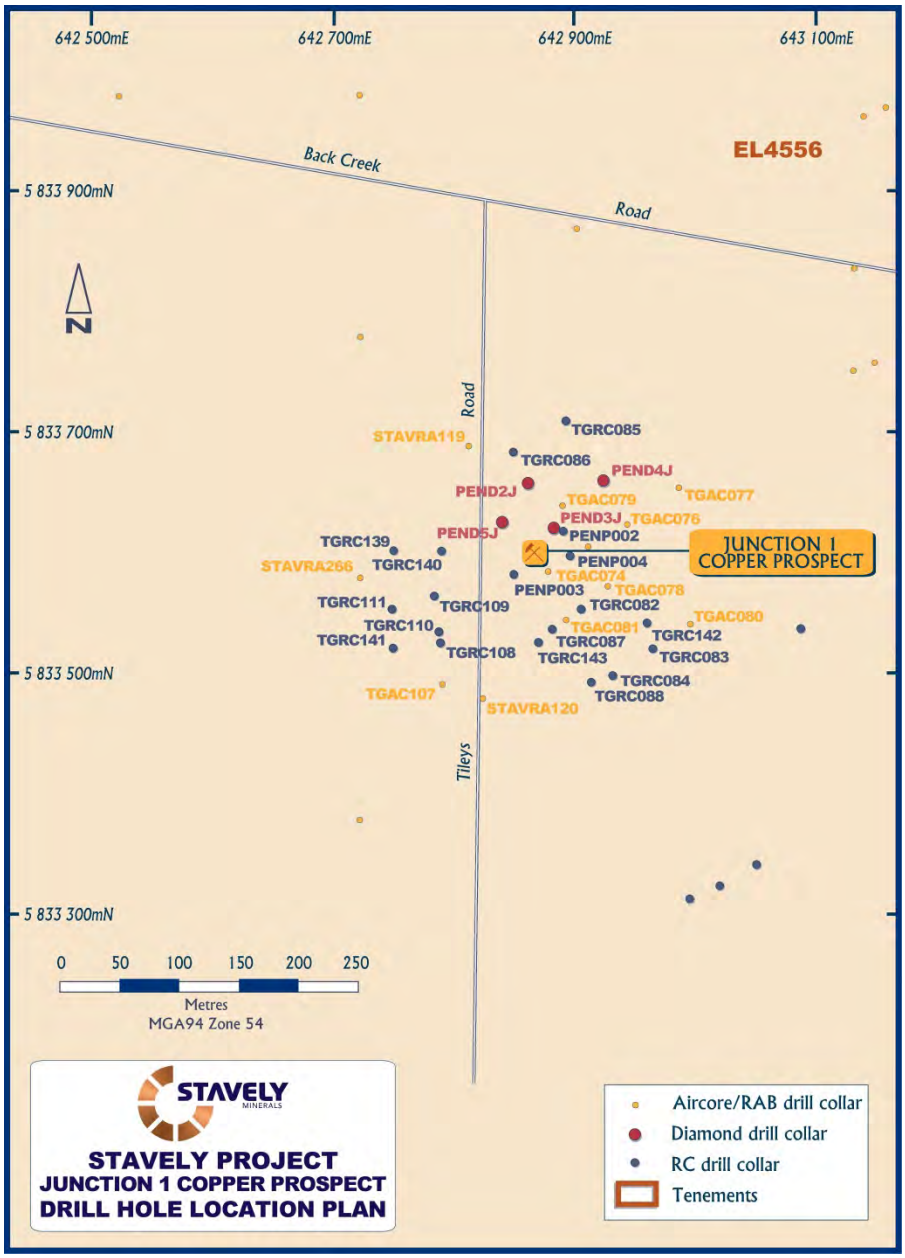


Figure 26. Junction 1 Copper Prospect Drill Hole Location Plan.

Fairview Gold Prospect										
		MGA 94 zone 54				Intercept				
Hole id	Hole Type	East	North	Dip/ Azimuth	Total Depth (m)	From	To	Width	Au (g/t)	Comments
FAC001	RC	644385	5829576	-90/0	30	NSA				
FAC002	RC	644404	5829581	-90/0	30	2	8	6	1.1	
FAC002RPT	RC	644404	5829581	-90/0	8	5	8	3	1.8	
FAC003	RC	644423	5829587	-90/0	26	6	8	2	0.9	
						12	14	2	0.7	
FAC003RPT	RC	644423	5829587	-90/0	14	7	8	1	1.8	
						12	13	1	2	
FAC004	RC	644442	5829593	-90/0	27	NSA				
FAC005	RC	644462	5829599	-90/0	30	NSA				
FAC006	RC	644481	5829605	-90/0	30	NSA				
FAC007	RC	644500	5829611	-90/0	28	NSA				
FAC008	RC	644471	5829184	-90/0	30	0	2	2	0.6	
						12	16	4	1.2	
FAC008RPT	RC	644471	5829184	-90/0	30	12	16	4	1.9	
FAC009	RC	644490	5829189	-90/0	30	NSA				
FAC010	RC	644509	5829195	-90/0	30	NSA				
FAC011	RC	644435	5828669	-90/0	30	NSA				
FAC012	RC	644454	5828675	-90/0	30	NSA				
FAC013	RC	644474	5828681	-90/0	36	NSA				
FAC014	RC	644493	5828687	-90/0	30	NSA				
FAC015	RC	644512	5828693	-90/0	30	NSA				
FAC016	RC	644531	5828698	-90/0	30	NSA				
FAC017	RC	644550	5828704	-90/0	30	NSA				
FAC018	RC	644569	5828710	-90/0	30	NSA				
FAC019	RC	644588	5828716	-90/0	30	NSA				
FAC020	RC	644607	5828722	-90/0	21	NSA				
FAC021	RC	644756	5828184	-90/0	30	24	26	2	1.8	
FAC021RPT	RC	644756	5828184	-90/0	36	34	36	2	1.3	
FAC022	RC	644775	5828190	-90/0	30	NSA				
FAC023	RC	644795	5828196	-90/0	29	NSA				
FAC024	RC	644814	5828201	-90/0	18	NSA				
FAC025	RC	644626	5828727	-90/0	30	NSA				
FAC026	RC	644645	5828733	-90/0	18	NSA				
FAC027	RC	644664	5828739	-90/0	30	NSA				
FAC028	RC	644631	5828315	-90/0	13	NSA				
FAC029	RC	644650	5828321	-90/0	7	NSA				

FAC029RPT	RC	644650	5828321	-90/0	7	NSA				
FAC030	RC	644669	5828327	-90/0	3	NSA				
FAC031	RC	644688	5828333	-90/0	15	NSA				
FAC032	RC	644708	5828339	-90/0	18	NSA				
FAC033	RC	643581	5832420	-90/0	30.5	6	8	2	0.9	
						18	30.5	12.5	2.4	
FAC033RPT	RC	643581	5832420	-90/0	30.5	6	12	6	6.5	
						21	30.5	9.6	5.5	
FAC034	RC	643601	5832425	-90/0	21	0	2	2	1.6	
FAC034RPT	RC	643601	5832425	-90/0	16	NSA				
FAC035	RC	643620	5832431	-90/0	30	8	14	6	4.6	
FAC036	RC	643639	5832437	-90/0	15	NSA				
FAC037	RC	643627	5832183	-90/0	18	NSA				
FAC038	RC	643646	5832189	-90/0	30	NSA				
FAC038RPT	RC	643646	5832189	-90/0	15	NSA				
FAC039	RC	643665	5832195	-90/0	23	NSA				
FAC040	RC	643684	5832200	-90/0	11	NSA				
FAC041	RC	643722	5832212	-90/0	27	4	6	2	1	
						22	24	2	0.5	
FAC042	RC	643703	5832206	-90/0	20	NSA				
FAC043	RC	643742	5832218	-90/0	9	NSA				
FAC044	RC	643761	5832224	-90/0	28	NSA				
FAC045	RC	643780	5832230	-90/0	15	0	2	2	0.9	
FAC046	RC	643799	5832235	-90/0	24	NSA				
FAC047	RC	643640	5832207	-90/0	23	NSA				
FAC048	RC	643652	5832169	-90/0	27	NSA				
FAC049	RC	643778	5832062	-90/0	12	NSA				
FAC050	RC	643798	5832068	-90/0	22	NSA				
FAC051	RC	643817	5832074	-90/0	15	NSA				
FAC052	RC	643836	5832080	-90/0	12	NSA				
FAC053	RC	643855	5832085	-90/0	18	NSA				
FAC054	RC	644242	5829699	-90/0	25	NSA				
FAC055	RC	644262	5829705	-90/0	30	NSA				
FAC056	RC	644281	5829711	-90/0	30	NSA				
FAC057	RC	644300	5829717	-90/0	20	NSA				
FAC058	RC	644319	5829723	-90/0	18	8	10	2	2	
FAC059	RC	644338	5829729	-90/0	18	NSA				
FAC060	RC	644357	5829734	-90/0	18	NSA				
FAC061	RC	644223	5829693	-90/0	18	NSA				
FAC062	RC	644212	5829941	-90/0	13	NSA				

FAC063	RC	644231	5829947	-90/0	30	22	24	2	0.5	
FAC064	RC	644250	5829953	-90/0	18	NSA				
FAC065	RC	644269	5829959	-90/0	18	NSA				
FAC066	RC	644193	5829935	-90/0	18	NSA				
FAC067	RC	644188	5830017	-90/0	15	NSA				
FAC068	RC	644207	5830023	-90/0	18	NSA				
FAC069	RC	644226	5830029	-90/0	18	2	4	2	1.6	
FAC070	RC	644245	5830035	-90/0	30	NSA				
FAC071	RC	644164	5830095	-90/0	18	NSA				
FAC072	RC	644183	5830101	-90/0	18	NSA				
FAC073	RC	644202	5830107	-90/0	18	NSA				
FAC074	RC	644221	5830113	-90/0	18	NSA				
FAC075	RC	644140	5830171	-90/0	27	16	18	2	0.5	
						20	22	2	0.8	
FAC076	RC	644159	5830177	-90/0	18	NSA				
FAC077	RC	644306	5830387	-90/0	18	NSA				
FAC078	RC	644325	5830393	-90/0	18	NSA				
FAC079	RC	644066	5830399	-90/0	15	NSA				
FAC080	RC	644085	5830405	-90/0	8	NSA				
FAC081	RC	644104	5830411	-90/0	12	NSA				
FAC082	RC	644123	5830416	-90/0	12	NSA				
FAC083	RC	644079	5830486	-90/0	12	NSA				
FAC084	RC	644098	5830492	-90/0	12	NSA				
FAC085	RC	644252	5829702	-90/0	24	NSA				
FAC086	RC	644212	5829941	-90/0	18	NSA				
FAC087	RC	644200	5829977	-90/0	22	NSA				
FAC088	RC	644188	5830017	-90/0	21	20	21	1	0.8	Hole ended in mineralisation
FAC089	RC	643904	5831101	-90/0	15	NSA				
FAC090	RC	643923	5831106	-90/0	12	10	12	2	0.7	Hole ended in mineralisation
FAC091	RC	643881	5831179	-90/0	12	NSA				
FAC092	RC	643900	5831184	-90/0	12	NSA				
FAC093	RC	644370	5829487	-90/0	22	NSA				
FAC094	RC	644389	5829493	-90/0	24	NSA				
FAC095	RC	644408	5829499	-90/0	18	10	12	2	0.7	
FAC096	RC	644427	5829504	-90/0	12	NSA				
FAC097	RC	644446	5829510	-90/0	12	NSA				
FAC098	RC	644465	5829516	-90/0	18	NSA				
FAC099	RC	644485	5829522	-90/0	18	NSA				
FAC100	RC	644504	5829528	-90/0	12	NSA				
FAC101	RC	644417	5829334	-90/0	24	10	12	2	1.2	

						20	22	2	0.6	
FAC102	RC	644436	5829340	-90/0	24	NSA				
FAC103	RC	644455	5829346	-90/0	18.01	NSA				
FAC104	RC	644474	5829351	-90/0	30	NSA				
FAC104RPT	RC	644474	5829351	-90/0	30	NSA				
FAC105	RC	644440	5829258	-90/0	20	NSA				
FAC106	RC	644459	5829264	-90/0	29	NSA				
FAC107	RC	644481	5829270	-90/0	30	NSA				
FAC108	RC	644555	5829042	-90/0	24	NSA				
FAC109	RC	644574	5829048	-90/0	18	12	16	4	0.8	
FAC110	RC	644592	5829053	-90/0	18	NSA				
FAC111	RC	644611	5829059	-90/0	7	NSA				
FAC112	RC	644546	5828871	-90/0	30	NSA				
FAC113	RC	644565	5828877	-90/0	30	NSA				
FAC114	RC	644583	5828883	-90/0	23	NSA				
FAC115	RC	644602	5828889	-90/0	22	NSA				
FAC116	RC	644621	5828894	-90/0	30	NSA				
FAC117	RC	644639	5828900	-90/0	30	NSA				
FAC118	RC	644657	5828237	-90/0	30	12	16	4	0.9	
FAC119	RC	644676	5828243	-90/0	13	10	12	2	0.9	
FAC120	RC	644695	5828248	-90/0	30	NSA				
FAC121	RC	644714	5828254	-90/0	28	NSA				
FAC122	RC	644733	5828260	-90/0	27	NSA				
FAC123	RC	644752	5828266	-90/0	18	NSA				
FAC124	RC	644722	5828090	-90/0	30	NSA				
FAC125	RC	644741	5828095	-90/0	30	NSA				
FAC126	RC	644760	5828101	-90/0	30	14	18	4	1.9	
FAC127	RC	644780	5828107	-90/0	27	NSA				
FAC128	RC	644799	5828113	-90/0	30	NSA				
FAC129	RC	644818	5828119	-90/0	30	NSA				
FAC130	RC	644736	5828063	-90/0	30	NSA				
FAC131	RC	644762	5828068	-90/0	30	0	28	28	1.3	
FAC131A	RC	644762	5828068	-90/0	30	0	29	29	1.4	
FAC132	RC	644759	5828066	-90/0	30	26	28	2	2.1	
FAC133	RC	644784	5828066	-90/0	30	NSA				
FAC134	RC	644471	5829184	-90/0	30	12	16	4	0.8	
FAC135	RC	644462	5829181	-90/0	30	18	19	1	1.3	
FAC136	RC	644480	5829186	-90/0	24	NSA				
FAC137	RC	644474	5829174	-90/0	24	9	10	1	0.6	
						13	14	1	0.6	

FAC138	RC	644468	5829193	-90/0	24	NSA				
FAC139	RC	644736	5828066	-90/0	30	1	15	14	0.5	
FAC140	RC	644761	5828075	-90/0	30	0	4	4	0.8	
FAC141	RC	643571	5832417	-90/0	30	9	10	1	2.5	
						19	20	1	1	
FAC142	RC	643581	5832420	-90/0	30	0	4	4	0.7	
						8	11	3	3.1	
						15	30	15	1.9	
FAC143	RC	643591	5832422	-90/0	30	0	22	22	0.8	
FAC144	RC	643584	5832409	-90/0	30	11	12	1	0.9	
						17	25	8	4.7	
FAC145	RC	643578	5832428	-90/0	30	10	13	3	0.8	
						19	30	11	1.5	
FAC146	RC	643610	5832428	-90/0	30	11	16	5	3.2	
FAC147	RC	643620	5832432	-90/0	30	9	17	8	1.6	
FAC148	RC	643629	5832434	-90/0	22	NSA				
FAC149	RC	643623	5832421	-90/0	23	4	6	2	3.9	
						10	11	1	0.7	
FAC150	RC	643617	5832440	-90/0	20	0	2	2	1.3	
						18	19	1	2	
FAC151	RC	643517	5832482	-90/0	26	NSA				
FAC152	RC	643536	5832487	-90/0	21	NSA				
FAC153	RC	643555	5832493	-90/0	27	NSA				
FAC154	RC	643575	5832499	-90/0	18	14	16	2	2	
FAC155	RC	643592	5832339	-90/0	30	NSA				
FAC156	RC	643611	5832345	-90/0	30	2	4	2	0.9	
						18	20	2	0.7	
FAC157	RC	643630	5832351	-90/0	30	0	6	6	1	
						20	28	8	1.1	
FAC158	RC	643649	5832357	-90/0	18	NSA				
FAC159	RC	643637	5832269	-90/0	14	NSA				
FAC160	RC	643656	5832275	-90/0	24	6	8	2	4.9	
FAC161	RC	643675	5832281	-90/0	27	8	14	6	1.2	
FAC162	RC	643746	5832136	-90/0	30	NSA				
FAC163	RC	643766	5832142	-90/0	24	NSA				
FAC164	RC	643785	5832148	-90/0	20	18	20	2	0.8	Hole ended in mineralisation
FAC165	RC	643804	5832154	-90/0	9	4	6	2	0.6	
FAC166	RC	643823	5832159	-90/0	12	NSA				
FAC167	RC	643842	5832165	-90/0	24	NSA				
FAC168	AC	644771	5828151	-60/72	42	22	28	6	1.6	

FAC169	AC	644740	5828141	-60/72	50	6	8	2	0.8	
FAC170	AC	644715	5828130	-60/72	50	48	50	2	0.6	Hole ended in mineralisation
FAC171	AC	644743	5828225	-60/70	50	28	34	4	0.9	
FAC172	AC	644722	5828217	-60/70	56	NSA				
FAC173	AC	644699	5828210	-60/70	50	NSA				
FAC174	AC	644739	5828116	-60/72	50	8	26	18	0.9	
FAC175	AC	643563	5832531	-60/72	60	NSA				
FAC176	AC	643685	5832324	-60/72	60	NSA				
FAC177	AC	643663	5832317	-60/72	60	0	2	2	0.6	
FAC178	AC	643646	5832311	-60/72	60	6	16	10	4.2	
						24	26	2	1.7	
						34	36	2	4	
						50	52	2	0.8	
FAC179	AC	643625	5832304	-60/72	60	NSA				
FAC180	AC	643679	5832277	-60/72	60	NSA				
FAC181	AC	643697	5832284	-60/72	60	NSA				
FAC182	AC	643728	5832258	-60/72	57	NSA				
FAC183	AC	643709	5832252	-60/72	60	6	14	8	1	
FAC184	AC	643690	5832245	-60/72	60	NSA				
FAC185	AC	643672	5832238	-60/72	60	NSA				
FAC186	AC	643725	5832213	-60/72	52	NSA				
FAC187	AC	643725	5832170	-60/72	51	8	10	2	0.9	
						38	40	2	0.8	
FAC188	AC	643745	5832176	-60/72	48	44	48	4	1	Hole ended in mineralisation
FAC189	AC	643764	5832183	-60/72	60	42	46	4	1	
FAC190	AC	643781	5832188	-60/72	60	34	36	2	1.2	
FAC191	AC	643767	5832144	-60/72	49	34	36	2	0.7	
FAC192	AC	643767	5832101	-60/72	43	NSA				
FAC193	AC	643782	5832105	-60/72	43	NSA				
FAC194	AC	643804	5832113	-60/72	46	16	20	4	1.1	
						28	30	2	1.8	
FAC195	AC	643657	5832359	-60/72	45	NSA				
FAC196	AC	643636	5832352	-60/72	48	10	12	2	1	
						44	48	4	0.8	
FAC197	AC	643588	5832377	-60/72	48	28	34	6	0.9	
FAC198	AC	643608	5832385	-60/72	49	NSA				
FAC199	AC	643629	5832393	-60/72	40	NSA				
FAC200	AC	643589	5832470	-60/72	34	10	16	6	2.8	
						28	30	2	1.2	
FAC201	AC	643557	5832454	-60/72	60	0	4	4	0.8	

FAC202	AC	643547	5832489	-60/72	55	NSA				
FAC203	AC	643534	5832527	-60/72	52	NSA				
FDH001	DD	643545	5832409	-51.5/68	153	32.9	34	1.1	3.3	
FDH002	DD	644701	5828167	-52/64	147	37.8	40	2.2	1.7	
						109.5	115.5	6	0.7	
						132	133.8	1.8	0.9	
FDH003	DD	644368	5829571	-52/65	133.9	43.6	45	1.4	2.3	
						53.5	55.1	1.6	0.9	
						58	59.8	1.8	0.7	
FDH004	DD	644729	5828064	-51/87	136.5	33.7	35.5	1.8	0.9	
						46.5	51	4.5	0.5	
FDH005	DD	643649	5832441	-50/250	182.5	119.1	120.6	1.5	0.7	
FDH006	DD	644786	5828064	-50/264	95.5	26.8	37.5	10.7	0.9	
FDH007	DD	644501	5830031	-60/71	25.8	Not sampled				
FRH001	RC	644761	5828064	-90/0	66	0	5	5	2	
						11	29	18	0.9	
						47	50	3	0.8	
						60	63	3	0.7	
FRH002	RC	644724	5828091	-60/71	59	NSA				
FRH003	RC	644743	5828096	-60/71	59	14	19	5	1.8	
						28	33	5	1.3	
FRH004	RC	644739	5828179	-60/71	59	25	29	4	0.9	
FRH005	RC	644640	5828232	-60/71	77	23	24	1	2	
FRH006	RC	644633	5828317	-60/71	59	16	17	1	0.8	
FRH007	RC	644652	5828322	-60/71	59	16	18	2	3	
						21	22	1	0.7	
						54	55	1	0.6	
FRH009	RC	643568	5832415	-90/0	113	27	29	2	6.3	
FRH010	RC	643594	5832340	-60/71	58	25	27	2	1.3	
						40	41	1	2.5	
						45	45	1	0.7	
FRH011	RC	643613	5832346	-60/71	59	10	11	1	1.1	
						18	19	1	2.4	
						23	35	12	0.9	
						42	43	2	1.4	
						58	59	1	0.7	Hole ended in mineralisation
FRH012	RC	643705	5832207	-60/71	83	28	30	2	1.1	
						61	65	4	2	
FRH013	RC	643686	5832201	-60/71	83	3	4	1	0.6	
						17	18	1	0.5	

						27	30	3	0.8	
						36	37	1	0.5	
						70	71	1	0.6	
						76	78	2	1.3	
FRH014	RC	643667	5832195	-60/71	65	NSA				
FRH015	RC	643610	5832267	-60/71	131	NSA				
FRH016	RC	643787	5832148	-60/71	83	27	30	3	1.2	
FRH017	RC	643819	5832074	-60/71	59	24	27	3	2	
FRH018	RC	643780	5832063	-60/71	60	21	24	3	0.5	
FRH019	RC	643823	5831664	-60/71	59	NSA				
FRH020	RC	643870	5831678	-60/251	64	0	9	9	1	
FRH022	RC	643864	5831173	-60/71	59	NSA				
FRH023	RC	643906	5831101	-60/71	65	24	27	3	0.7	
FRH024	RC	644062	5830481	-60/71	59	18	24	6	1.1	
						45	48	3	3.9	
FRH025	RC	644048	5830394	-60/91	60	NSA				
FRH026	RC	644123	5830166	-60/91	83	66	69	3	1.1	
FRH027	RC	644171	5830012	-60/71	60	42	45	3	0.6	
FRH028	RC	644190	5830018	-60/71	60	24	27	3	0.7	
FRH029	RC	644209	5830024	-60/71	60	33	42	9	0.5	
						48	51	3	1.1	
FRH030	RC	644252	5829954	-60/71	59	9	12	3	0.6	
						27	30	3	0.5	
FRH031	RC	644233	5829948	-60/71	59	18	21	3	0.6	
FRH032	RC	644214	5829942	-60/71	59	30	48	18	0.6	
FRH033	RC	644444	5830012	-60/71	120	33	36	3	0.7	
FRH034	RC	644419	5829335	-60/71	59	NSA				
FRH035	RC	644400	5829329	-60/71	59	27	30	3	0.9	
FRH036	RC	644455	5829179	-60/71	59	24	27	3	0.7	
FRH037	RC	644576	5829048	-60/71	59	NSA				
FRH038	RC	644557	5829043	-60/71	71	27	39	12	0.6	
						60	63	3	3.2	
FRH039	RC	644720	5828678	-60/71	59	NSA				
FRH040	RC	644762	5828029	-60/71	83	3	9	6	1.3	
						21	39	18	1.9	
FRH041	RC	644734	5828018	-60/71	83	36	39	3	0.7	
						81	83	2	0.8	Hole ended in mineralisation
FRH042	RC	644817	5827869	-60/71	72	NSA				
FRH043	RC	644791	5827860	-60/71	83	21	24	3	1	
FRH044	RC	644872	5827719	-60/71	55	NSA				

FRH045	RC	644844	5827710	-60/71	55	NSA				
FRH046	RC	644203	5830108	-60/71	59	NSA				
FRH047	RC	644184	5830101	-60/71	59	15	18	3	0.7	
						24	27	3	0.6	
FRH048	RC	644165	5830094	-60/71.37	59	6	9	3	0.8	
FRH049	RC	644143	5829997	-60/71.37	101	93	96	3	1.5	
FRH050	RC	644290	5829711	-60/71.37	119	NSA				
FRH051	RC	644215	5829691	-60/71.37	119	NSA				
VSTA035	AC	644822	5828578	-90/0	23	NSA				
VSTA036	AC	644622	5828578	-90/0	47	NSA				
VSTA037	AC	644522	5829578	-90/0	41	NSA				
VSTA038	AC	644322	5829578	-90/0	46	32	40	8	0.5	
WL122	AC	643832	5831388	-90/0	15	NSA				
WL140	AC	643862	5831918	-90/0	21	NSA				
WL143	AC	643662	5832278	-90/0	15	NSA				
WL148	AC	644322	5830458	-90/0	15	NSA				
WL162	AC	644582	5828958	-90/0	24	NSA				

Notes: Gold intercepts calculated >1m at 0.5g/t Au

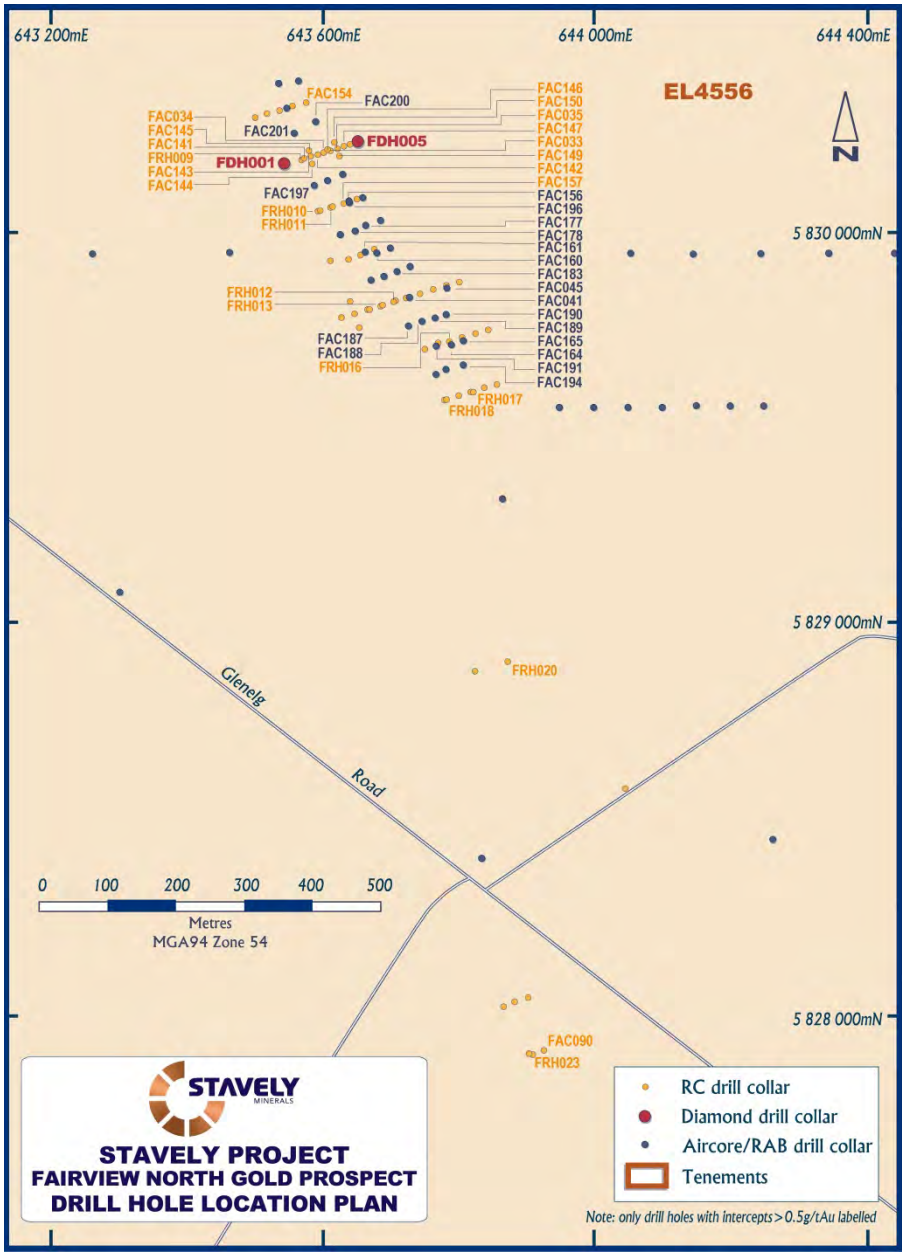


Figure 27. Fairview North Gold Prospect Drill Hole Location Plan.

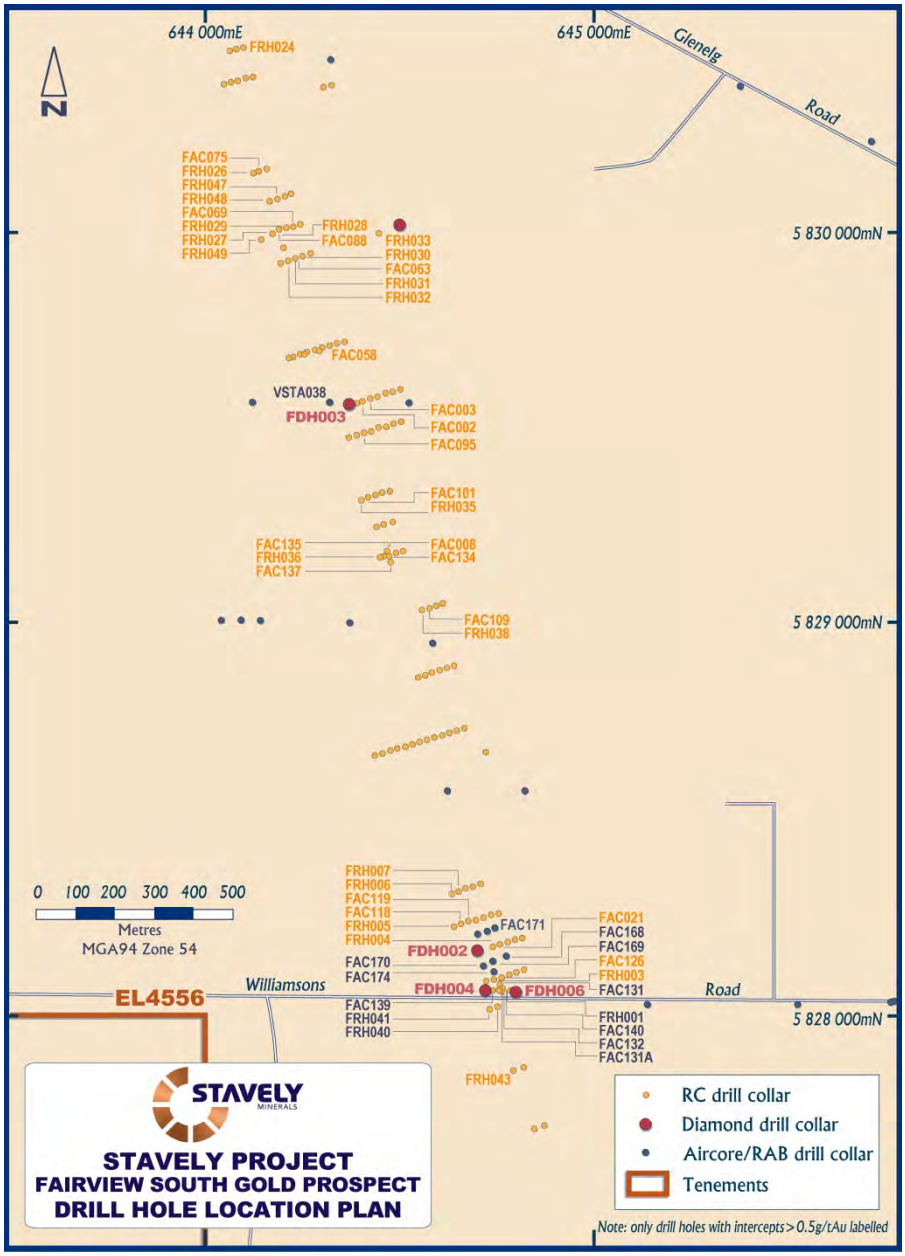


Figure 28. Fairview South Gold Prospect Drill Hole Location Plan.

Patanga Copper Prospect											
		MGA 94 zone 54				Intercept					
Hole id	Hole Type	East	North	Dip/ Azimuth	Total Depth (m)	From	To	Width	Cu (%)	Au (g/t)	Comments
SAC019	AC	650690	5818630	-90/0	45	NSA					
SAC020	AC	650770	5818630	-90/0	41	NSA					
SAC021	AC	650850	5818630	-90/0	29	NSA					
SAC023	AC	650910	5819050	-90/0	48	NSA					
SAC024	AC	650830	5819050	-90/0	22	NSA					
SAC025	AC	650750	5819050	-90/0	26	NSA					
SNDD007	DD	650660	5818890	-61.4/105	173.4	160.0	161.2	1.2	0.12	NSA	0-112.2m Not Sampled
WL208	AC	650782	5818847	-90/0	49	27.0	48.0	21.0	0.20	NSA	
WL260	AC	650732	5818857	-60/105	56	36.0	42.0	6.0	0.11	NSA	
WL261	AC	650832	5818837	-60/285	81	NSA					
WL267	AC	650782	5818957	-60/104	89	30.0	40.0	10.0	0.32	0.40	
WL268	AC	650733	5818969	-60/104	70	NSA					
WL269	AC	650684	5818775	-60/104	24	Not sampled					
WL270	AC	650686	5818775	-60/104	21	Not sampled					
WL271	AC	650670	5818779	-60/104	85.5	NSA					
WL272	AC	650722	5818765	-55/104	123.5	102.0	103.0	1.0	0.12	NSA	
						111.0	112.0	1.0	0.11	NSA	
						113.0	114.0	1.0	0.27	NSA	
WL273	AC	650708	5818873	-60/104	151.6	63.6	66.6	3.0	0.24	NSA	

Notes: Copper intercepts calculated >1m at 0.1% Cu

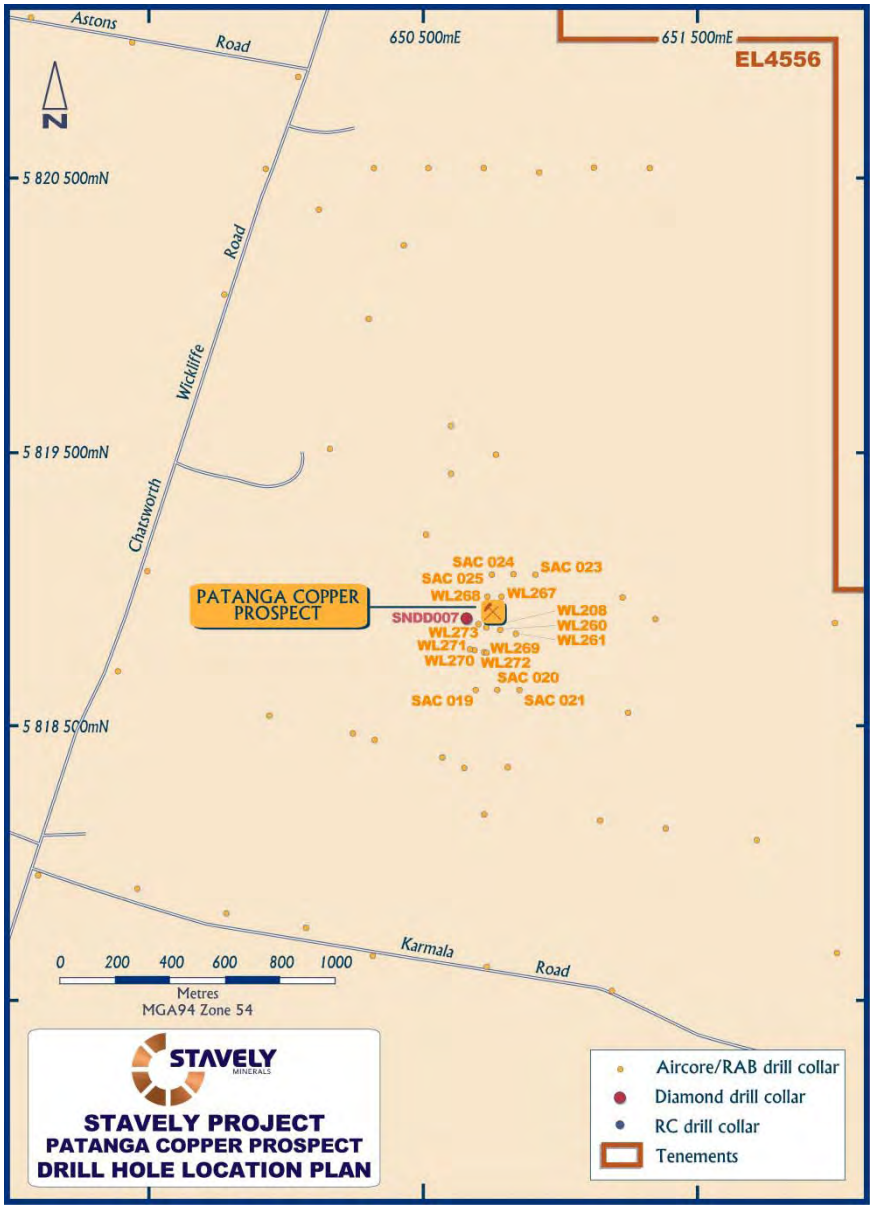


Figure 29. Patanga Copper Prospect Drill Hole Location Plan.

Wickliffe Copper Prospect												
		MGA 94 zone 54				Intercept						
Hole id	Hole Type	East	North	Dip/ Azimuth	Total Depth (m)	From	To	Width	Cu (%)	Au (g/t)	Ag (g/t)	Zn (%)
VSTD010	DD	647952	5826968	-55/90	467.8	411.0	412.0	1.0	0.30	NSA	NSA	NSA
						443.0	449.0	6.0	0.21	NSA	NSA	NSA
						459.0	463.0	4.0	0.23	NSA	NSA	NSA
VICT2D5	DD	648321	5827075	-50/270	181.3	126.0	127.0	1.0	0.25	NSA	ND	NSA
VICT2D4	DD	648391	5826875	-50/270	294.0	146.0	152.0	6.0	0.27	NSA	ND	NSA
						224.0	225.0	1.0	0.25	NSA	ND	NSA
						241.0	244.0	3.0	0.30	NSA	ND	NSA
						253.0	262.0	9.0	0.25	NSA	ND	NSA
VICT2D3	DD	648321	5826778	-45/270	194.8	21.0	24.0	3.0	0.26	NSA	ND	NSA
						51.0	54.0	3.0	0.22	NSA	ND	NSA
						78.0	107.0	29.0	0.33	NSA	ND	NSA
						121.0	169.0	48.0	0.23	NSA	ND	NSA
VICT2D1	DD	648370	5826575	-45/270	274.0	151.0	152.0	1.0	0.20	NSA	ND	NSA
						161.0	162.0	1.0	0.40	NSA	ND	NSA
						166.0	167.0	1.0	0.41	NSA	ND	NSA
						175.0	177.0	2.0	0.56	NSA	ND	NSA
						231.0	233.0	2.0	0.25	NSA	ND	NSA
						240.0	247.0	7.0	0.25	1.3	ND	NSA
PEND1W	DD	648202	5826548	-55/60	177.6	73.4	76.6	3.2	0.2	2.3	7	4.9
PEND2W	DD	648217	5826653	-70/60	95.7	28.0	31.0	3.0	0.39	NSA	3	NSA
						70.0	95.7	25.7	0.15	ND	2	NSA
PEND2WA	DD	648217	5826653	-90/0	96.0	12.0	21.0	9.0	0.18	NSA	4	NSA
PEND3W	DD	648332	5826483	-65/60	36.4	Weak mineralisation						
PEND4W	DD	648242	5826448	-60/60	80.4	60.0	64.0	4.0	0.74	NSA	5	NSA
PEND5W	DD	648112	5826513	-65/60	165.7	ND						
PEND6W	DD	648242	5826773	-60/60	106.4	48.0	54.5	6.5	0.39	NSA	1	NSA
						77.0	90.0	13.0	0.23	NSA	ND	NSA

Notes: Only diamond drill holes at Wickliffe reported in table above

Copper intercepts calculated >1m at 0.2% Cu

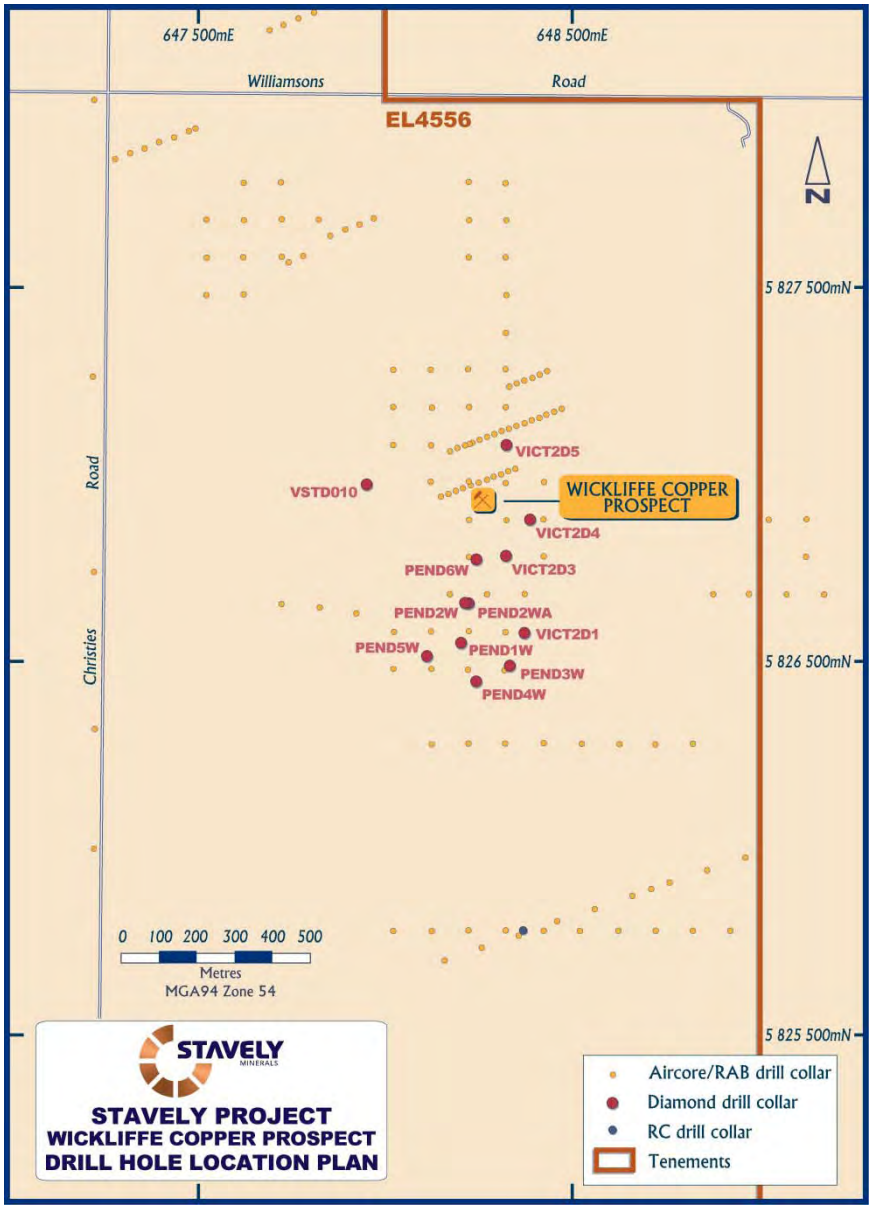


Figure 30. Wickliffe Copper Prospect Drill Hole Location Plan.

7. RISK FACTORS

7.1 Introduction

The Shares offered under this Prospectus are considered highly speculative. An investment in the Company is not risk free and the Directors strongly recommend potential investors to consider the risk factors described below, together with information contained elsewhere in this Prospectus, before deciding whether to apply for Shares and to consult their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

There are specific risks which relate directly to the business. In addition, there are other general risks, many of which are largely beyond the control of the Company and the Directors. The risks identified in this section, or other risk factors, may have a material impact on the financial performance of the Company and the market price of the Shares.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

7.2 Key investment risks

The key risks which the Directors consider are associated with an investment in the Company are:

- Exploration success;
- Reliance on key personnel;
- Limited operating history;
- Key Tenements subject to a security interest; and
- Access risk.

Details of these risks are set out in Section 3.5 of this Prospectus.

7.3 Company specific

(a) Tenement renewals and applications

Exploration licence 4758 (having an expiry date of 28 January 2014) and 4556 (due to expire in April 2014) are the subject of pending renewal applications. The renewal of the term of a granted tenement is subject to the consent of the Minister responsible for the *Mineral Resources (Sustainable Development) Act 1990 (Vic)*.

The Company cannot guarantee that any of its granted exploration licences will be renewed beyond their current expiry date and there is a material risk that, in the event the Company is unable to renew these granted Tenements beyond their current expiry date, the Company's interest in the Projects will be relinquished.

Further, renewal conditions may include increased expenditure and work commitments or compulsory relinquishment of areas of the Tenements. The imposition of new conditions or the inability to meet those conditions may adversely affect the operations, financial position and/or performance of the Company.

The Company has also made applications for an additional 93 square kilometres of tenure in the area of its granted Tenements. There are some areas within these applications that are the subject of competing tenement applications by other companies. There is a risk that these applications may not be granted by the Minister,

in whole or in part. If the applications are not granted, the Company would be unable to explore the land covered by these applications.

Please refer to the Solicitor's Report on Tenements in Section 10 of this Prospectus for further details of the status of the granted Tenements and applications.

(b) Native title and Aboriginal heritage

In relation to tenements which the Company has an interest in or will in the future acquire such an interest, there may be areas over which legitimate common law native title rights of Aboriginal Australians exist. If native title rights do exist, the ability of the Company to gain access to tenements (through obtaining consent of any relevant landowner), or to progress from the exploration phase to the development and mining phases of operations may be adversely affected.

There is currently one registered native title claim overlapping parts of exploration licences 3019, 4758, 4556, 5470 and 5471, and exploration licence applications 5477 and 5487.

Further to this, it is possible that an Indigenous Land Use Agreement (**ILUA**) may be registered against one or more of the tenements in which the Company has an interest. The terms and conditions of any such ILUA may be unfavourable for, or restrictive against, the Company.

The Directors will closely monitor the potential effect of native title claims involving tenements in which the Company has or may have an interest.

In addition, there are a number of registered Aboriginal heritage sites within the area of exploration licences 3019, 4758, 4556, 5470 and 5471; exploration licence applications 5477, 5486 and 5487; and retention licence application 2011. The existence of the Aboriginal heritage sites within a tenement may lead to restrictions on the areas that the Company will be able to explore and mine.

Please refer to the Solicitor's Report on Tenements in Section 10 of this Prospectus for further details of the applicable Native Title claim and Aboriginal heritage sites.

(c) Resource estimates

The Company currently has two Inferred Resource estimates on the Tenements. These resources, and any resource that may be delineated in the future, are estimates only. An estimate is an expression of judgement based on knowledge, experience and industry practice. Estimates which were valid when originally calculated may alter significantly when new information or techniques become available.

In addition, by their very nature, resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional fieldwork and analysis, the estimates are likely to change. This may result in alterations to development and mining plans which may, in turn, adversely affect the Company's operations.

(d) Additional requirements for capital

The funds raised under the Offer are considered sufficient to meet the exploration and evaluation objectives of the Company. Additional funding may be required in the event exploration costs exceed the Company's estimates, or to effectively implement its business and operations plans in the future (including to fund scoping and pre-feasibility studies if the Company's exploration programmes are successful).

Additional financing may also be required to take advantage of opportunities for acquisitions, joint ventures or other business opportunities, and to meet any unanticipated liabilities or expenses which the Company may incur.

The Company may seek to raise further funds through equity or debt financing, joint ventures, production sharing arrangements or other means. Failure to obtain sufficient financing for the Company's activities and future projects may result in delay and indefinite postponement of exploration, development or production on the Company's properties or even loss of a property interest. There can be no assurance that additional finance will be available when needed or, if available, the terms of the financing might not be favourable to the Company and might involve substantial dilution to Shareholders.

7.4 Industry specific

(a) Environmental

The operations and proposed activities of the Company are subject to State and Federal laws and regulations concerning the environment. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.

Mining operations have inherent risks and liabilities associated with safety and damage to the environment and the disposal of waste products occurring as a result of mineral exploration and production. The occurrence of any such safety or environmental incident could delay production or increase production costs. Events, such as unpredictable rainfall or bushfires may impact on the Company's ongoing compliance with environmental legislation, regulations and licences. Significant liabilities could be imposed on the Company for damages, clean up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous operations or non-compliance with environmental laws or regulations.

The disposal of mining and process waste and mine water discharge are under constant legislative scrutiny and regulation. There is a risk that environmental laws and regulations become more onerous making the Company's operations more expensive.

Approvals are required for land clearing and for ground disturbing activities. Delays in obtaining such approvals can result in the delay to anticipated exploration programmes or mining activities.

(b) Failure to satisfy expenditure commitments and licence conditions

Interests in tenements in Victoria are governed by the mining acts and regulations that are current in Victoria and are evidenced by the granting of licences or leases. Each licence or lease is for a specific term and carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance. Consequently, the Company could lose title to or its interest in the Tenements if licence conditions are not met or if insufficient funds are available to meet expenditure commitments.

Please refer to the Solicitor's Report on Tenements in Section 10 of this Prospectus for further details of the applicable licence conditions.

(c) Mine development

Possible future development of a mining operation at any of the Company's projects is dependent on a number of factors including, but not limited to, the acquisition and/or delineation of economically recoverable mineralisation, favourable geological conditions, receiving the necessary approvals from all relevant authorities and parties, seasonal weather patterns, unanticipated technical and operational difficulties encountered in extraction and production activities, mechanical failure of operating plant and equipment, shortages or increases in the price of consumables, spare parts and plant and equipment, cost overruns, access to the required level of funding and contracting risk from third parties providing essential services.

If the Company commences production, its operations may be disrupted by a variety of risks and hazards which are beyond its control, including environmental hazards, industrial accidents, technical failures, labour disputes, unusual or unexpected rock formations, flooding and extended interruptions due to inclement of hazardous weather conditions and fires, explosions or accidents. No assurance can be given that the Company will achieve commercial viability through the development or mining of its projects and treatment of ore.

(d) Operations

The operations of the Company may be affected by various factors, including failure to locate or identify mineral deposits, failure to achieve predicted grades in exploration and mining, operational and technical difficulties encountered in mining, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, adverse weather conditions, industrial and environmental accidents, industrial disputes, unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment and many other factors beyond the control of the Company.

No assurances can be given that the Company will achieve commercial viability through the successful exploration and/or mining of its tenement interests. Until the Company is able to realise value from its projects, it is likely to incur ongoing operating losses.

7.5 General risks

(a) Commodity price volatility and exchange rate risks

If the Company achieves success leading to mineral production, the revenue it will derive through the sale of commodities exposes the potential income of the Company to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by many factors beyond the control of the Company. Such factors include supply and demand fluctuations for precious and base metals, technological advancements, forward selling activities and other macro-economic factors.

Furthermore, international prices of various commodities are denominated in United States dollars, whereas the income and expenditure of the Company are and will be taken into account in Australian currency, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets.

(b) Competition risk

The industry in which the Company will be involved is subject to domestic and global competition. Although the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, which activities or actions may, positively or negatively, affect the operating and financial performance of the Company's projects and business.

(c) Government policy changes

Adverse changes in government policies or legislation may affect ownership of mineral interests, taxation, royalties, land access, labour relations, and mining and exploration activities of the Company. It is possible that the current system of exploration and mine permitting in Victoria may change, resulting in impairment of rights and possibly expropriation of the Company's properties without adequate compensation.

(d) Economic

General economic conditions, introduction of tax reform, new legislation, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.

(e) Market conditions

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- general economic outlook;
- introduction of tax reform or other new legislation;
- interest rates and inflation rates;
- changes in investor sentiment toward particular market sectors;
- the demand for, and supply of, capital; and

- terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

(f) Insurance risks

The Company intends to insure its operations in accordance with industry practice. However, in certain circumstances, the Company's insurance may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company.

Insurance against all risks associated with mining exploration and production is not always available and where available the costs can be prohibitive.

(g) Investment speculative

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Shares offered under this Prospectus.

Therefore, the Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares.

Potential investors should consider that investment in the Company is highly speculative and should consult their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

8. INDEPENDENT GEOLOGIST'S REPORT

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Resource Industry Consultants

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Date: 12th March 2014
Report No: R347.2013

STAVELY MINERALS LIMITED

Independent Geologist's Report

on the

Stavely, Ararat and Mortlake Projects

Victoria, Australia

by

Graham M. Jeffress
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and

Dennis C. Arne
PhD, MAIG, RPGeo, PGeo (British Columbia)

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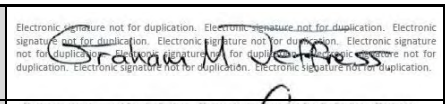
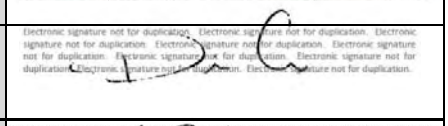
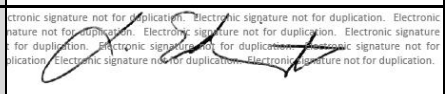
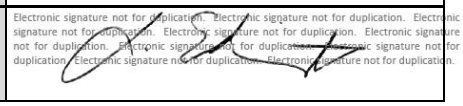
Managing Director

Stavely Minerals Limited
Stavely, Ararat and Mortlake Projects

Author and Reviewer Signatures

Principal Author:	Graham Jeffress	**Signature:**	
Principal Author:	Dennis Arne	**Signature:**	
Principal Reviewer:	Jeff Elliott	**Signature:**	
CSA Authorisation:	Jeff Elliott	**Signature**	

Executive Summary

Stavely Minerals Limited ("STM"), previously known at Northern Platinum Pty Ltd, agreed to acquire two mineral projects in western Victoria from BCD Resources NL ("BCD") in March 2013; these include the Stavely Project in the Grampians-Stavely Zone of the eastern Delamerian Orogen and the Ararat Project in the Stawell Zone of the western Lachlan Orogen. STM has since added to the portfolio with four other tenements, three of which are in addition to the ground held in the Ararat area and an extra tenement (the Mortlake project) was secured to cover the southern strike extension of the host sequence at Stavely. Collectively the three projects comprise STM's mineral assets (the "Tenements"; Figure 1).

The Stavely and Ararat properties contain partially oxidised and supergene-enriched copper-gold deposits of porphyry and volcanogenic affiliation, respectively. There is also potential for both orogenic and epithermal-style gold-silver within the Projects.

The three projects comprise eight tenements with a total area of about 760 km^2. The majority of the tenements are granted, but three tenements in the Ararat project area remain as applications (comprising 87.12 km^2). The Projects are mostly on freehold agricultural land and are presumed to be not subject to Native Title issues, though there is a small area of Crown land overlapped by the licences that is subject to Native Title. A summary of tenements included in this report can be found in Appendix 1 and a fuller discussion of these issues is provided in the Independent Solicitor's Report elsewhere in the prospectus.

As part of the project acquisition, STM obtained a substantial exploration database and drill sample library (drill core and percussion chips). There is a wealth of information in the database including data from several thousand diamond core, reverse circulation percussion, rotary air blast and aircore drill holes, as well as geophysical, geochemical, metallurgical and mineralogical data.

Ararat Project

The Ararat Project occurs within the Moornambool Metamorphic Complex ("MMC") of the Stawell Zone. Metamorphosed Cambrian basalt and associated sedimentary rocks are considered to be equivalent to the Magdala Volcanics that host the Stawell (orogenic) Gold Deposit to the north.

The Mount Ararat VHMS Copper Deposit and the Langi Logan Orogenic Gold Prospect are the key targets on the Ararat Project. The Mount Ararat Copper Deposit has an Inferred Mineral Resource of 1.45 Mt of 1.8 % Cu, 0.4 g/t Au, 5.2 g/t Ag and 0.3 % Zn using a cut-off of 0.5 % Cu[1].

Soil geochemistry and electromagnetic surveys have outlined a number of strong conductors associated with anomalous geochemistry along strike from the deposit. Past exploration has

[1] See main body of the report for full details including JORC Code 2012 Table 1

focused on the known outcropping copper 'lode' and there has been no adequate tests of the along strike targets which have dimensions similar or greater in size to the Mount Ararat deposit.

At Langi Logan, gold mineralisation has been intersected by diamond drilling on the flank of a basalt dome and there has been important historical gold production (alluvial and shafts) from the prospect area. The geological setting is very similar to that observed at the Stawell Gold Deposit located approximately 50 km to the north along strike within the MMC where orogenic style gold mineralisation is controlled by a basalt dome. The geological setting and past gold production of Langi Logan clearly support further exploration for Stawell-style primary gold mineralisation.

Planned exploration activities include reverse circulation and diamond drilling of coincident ground electromagnetic ("EM") and soil geochemical targets to the north of the Mount Ararat Copper Deposit. IP surveys will be conducted over the northwestern flank of the buried basalt dome at Langi Logan prior to drilling of a fence of holes to test sulphidic meta-sedimentary horizons.

Stavely Project

The Stavely Project encompasses a portion of the Mount Stavely Volcanic Complex ("MSVC") within the Grampians-Stavely Zone. The prospectivity of the Mount Stavely Volcanic Complex derives in part from correlation with the Mount Read Volcanic Belt ("MRVB") of western Tasmania. The Mount Read Volcanic Belt host economically significant volcanogenic-hosted massive sulphide ("VHMS") base metal deposits (e.g. Que River, Hellyer, Rosebery and Mount Lyell). The presence of a volcanic arc system in the Cambrian also raises the possibility for the presence of porphyry copper-gold deposits in the Mount Stavely Volcanic Complex. Although these deposits are not widely recognized in the Mount Read Volcanic Belt, they did form in the Ordovician in a similar tectonic setting on the eastern side of the Lachlan Orogen (e.g. Northparkes, Cadia Hill, Cadia East, Ridgeway).

The Stavely Project includes the Thursday's Gossan Copper Deposit, which has an Inferred Mineral Resource of 16.7 Mt at 0.5% Cu using a cut-off of 0.3% Cu for 78.6 kt of copper present in the minerals chalcocite, covellite and chalcopyrite[2].

Core drilling directly east of the Thursday's Gossan encountered anomalous copper and gold grades in sheared and silicified contacts between serpentinite and porphyritic intrusive rocks together with altered porphyritic intrusives; recently recognised by STM as 'D-type' veins consistent with the margins of a porphyry copper-gold system at depth. Lithological, textural and mineralogical evidence, including alteration mineral zoning identified by hyperspectral reflectance spectroscopy (HyLogging), sulphur isotopic data and new induced polarisation chargeability geophysical data provide further robust evidence supporting the concept of a mineralised porphyry system beneath Thursday's Gossan.

[2] See main body of the report for full details including JORC Code 2012 Table 1

Other significant exploration targets within the Stavely Project include additional porphyry copper-gold targets at Junction (Junction 1 and 3), Drysdale and Patanga; the 5 km-long Fairview epithermal gold-silver system; and the Wickliffe VHMS copper-zinc-gold-silver prospect. An additional porphyry copper target comprising a gravity low, is present directly to the east of the Fairview occurrences (herein referred to as the Stavely porphyry target).

Planned exploration activities include completing further induced polarisation surveys over the Thursday's Gossan deposit to guide deep diamond drilling to test for the presence of high-grade copper veins and associated porphyry copper-gold mineralisation at depth. Some of the other porphyry copper-gold targets will also be tested with diamond drilling.

Mortlake Project

The Mortlake Project straddles the boundary between the Delamerian and Lachlan Orogens but is covered by Cainozoic basalt of the Western District Province. As such it is prospective for mineral deposit types found both in the Mount Stavely Volcanic Complex and the Moornambool Metamorphic Complex. There are no known mineral occurrences within the Mortlake Project and it has seen very little exploration activity because of the obscuring basalt cover.

However the basalt cover is generally very thin (<10 m) and STM have identified a number of magnetic features that resemble the geophysical signatures of the porphyries at Stavely. STM plan to acquire additional magnetic data over these targets and complete surface geochemical sampling. The high priority targets from this work will then have electrical geophysical surveys completed followed by drill testing of the best targets.

Conclusions

CSA concludes that STM's tenement portfolio presents exposure to an attractive range of grassroots to advanced exploration plays. Further exploration and evaluation work is warranted on all of the Projects.

The proposed budget allocations are considered consistent with the exploration potential of the Stavely, Ararat and Mortlake Projects and are considered adequate to cover the costs of the proposed programmes. The budgeted expenditures are also considered sufficient to meet the minimum statutory expenditure on the Tenements.

The Independent Geologist's Report has been prepared on information available up to and including 12th March 2014 and CSA is not aware of any material change to STM's mineral interests since that date.

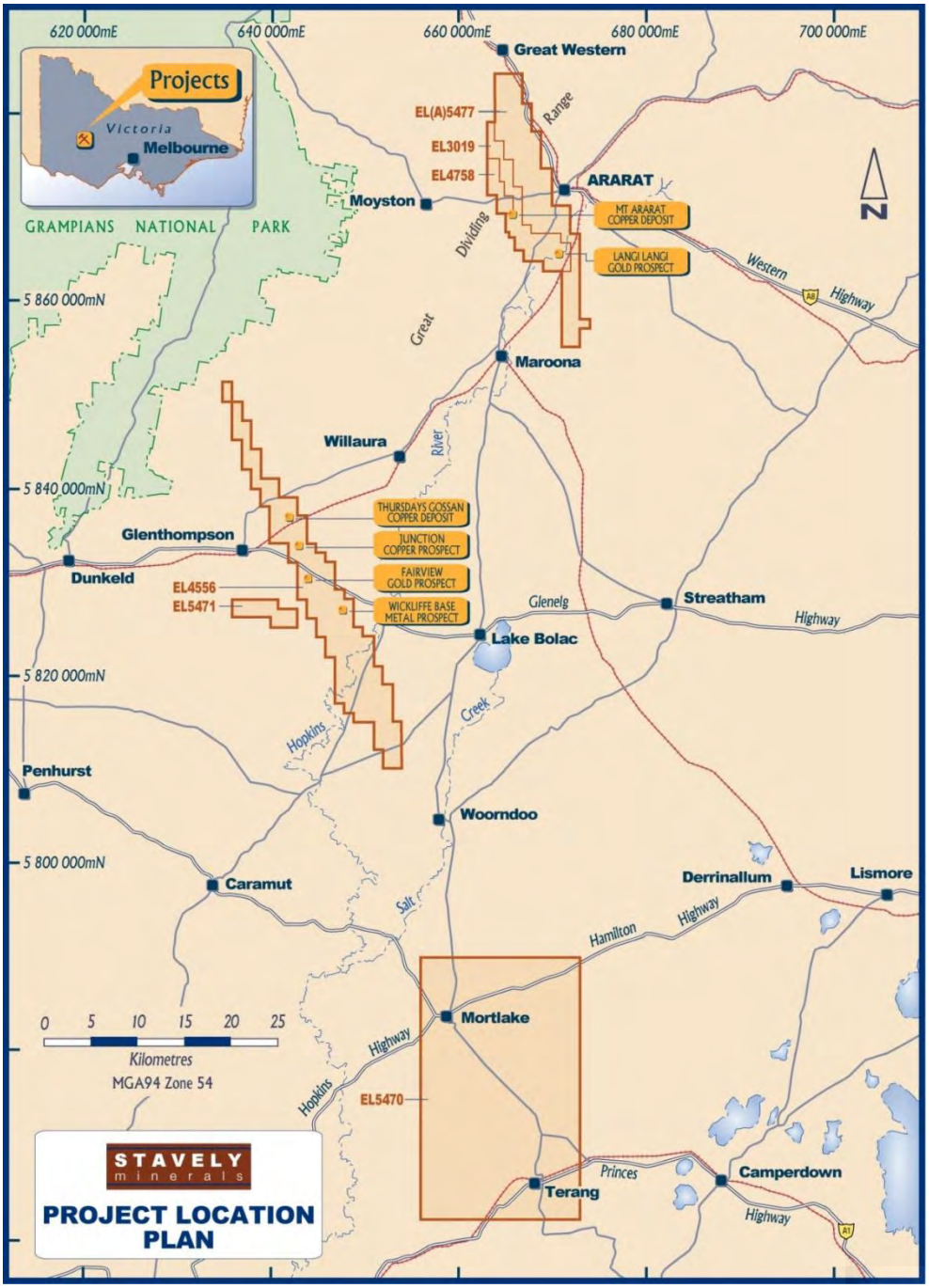


Figure 1: STM's Projects in Western Victoria.

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1 Introduction

1.1 Context, Scope and Terms of Reference

In March 2013, the unlisted private company Northern Platinum Pty Ltd entered into an agreement with BCD Metals Pty Ltd to acquire their mineral exploration licences in western Victoria. Northern Platinum Pty Ltd has subsequently been renamed Stavely Minerals Limited ("STM"). STM have since grown the portfolio of mineral assets with four additional tenements in western Victoria.

CSA Global Pty Ltd ("CSA") was commissioned by Stavely Minerals Limited ("STM" or the "Company") to prepare an Independent Geologist's Report ("Report" or "IGR") on the Stavely, Ararat and Mortlake Projects (the "Projects") in western Victoria. The projects are held 100% by STM (formerly Northern Platinum Pty Ltd).

This report is to be included in a prospectus to be lodged with the Australian Securities and Investment Commission ("ASIC") on or about 12th March 2014 offering investors the opportunity to subscribe to an offer of up to 30,000,000 Shares at an issue price of $0.20 per Share (the "Prospectus"), to raise up to $6,000,000. Oversubscriptions of up to a further 10,000,000 Shares at an issue price of $0.20 per Share to raise up to a further $2,000,000 may be accepted.

The funds raised will be used for the purposes of exploration and evaluation of the mineral properties, repayment of borrowings and other liabilities including administration and working capital requirements.

The Report is complete up to and including 12th March 2014. CSA has provided and not withdrawn written consent for the inclusion of the report on STM's Projects in the prospectus, and to the inclusion of statements made by CSA and to the references to its name in other sections of the prospectus, in the form and context in which the Report and those statements appear.

CSA accepts responsibility for this Report for the purposes of an Independent Geologist's Report. Having taken all reasonable care to ensure that such is the case, CSA and the authors confirm that, to the best of their knowledge, the information contained in the Report is in accordance with the facts, contains no omission likely to affect its import, and no change has occurred since 12th March 2014 that would require any amendment to the Report.

A final draft of the report was provided to STM, along with a written request to identify any material errors or omissions prior to lodgement. Where appropriate, and in accordance with ASIC Regulatory Guide 111, consent has been obtained to quote data and opinions expressed in unpublished reports prepared by other professionals on the properties concerned.

1.2 Compliance with VALMIN and JORC Codes

The IGR has been prepared in accordance with the Code and Guidelines for Assessment and Valuation of Mineral Assets and Mineral Securities for Independent Expert Reports ("The VALMIN

Code") and the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves 2012 Edition.

Both codes are binding upon Members of the Australian Institute of Geoscientists ("AIG"), the Australasian Institute of Mining and Metallurgy ("AusIMM"), the Australasian Code for Reporting of Identified Mineral Resources and Ore Reserves and the rules and guidelines issued by such bodies as ASIC and Australian Securities Exchange ("ASX"), which pertain to Independent Experts' Reports.

The authors have taken due note of the rules and guidelines issued by such bodies as the Australian Securities and Investments Commission ("ASIC") and the ASX, including ASIC Regulatory Guide 111 – Content of Expert Reports, and ASIC Regulatory Guide 112 – Independence of Experts.

1.3 Principal Sources of Information

CSA has based its review of the Projects on information made available to the principal authors by STM along with technical reports prepared by consultants, government agencies and previous tenements holders, and other relevant published and unpublished data. CSA has relied upon discussions with STM's management as well as recent company exploration reports for information contained within this valuation. A site visit was made to the Projects to confirm the recent exploration activities quoted herein.

The authors have endeavoured, by making all reasonable enquiries, to confirm the authenticity and completeness of the technical data upon which this report is based. STM was provided a final draft of this Report and requested to identify any material errors or omissions prior to its lodgement.

A site visit was made to STM's Projects by Mr Graham Jeffress on 25–26th September 2013.

CSA reviewed the status of the licences using the Victorian Department of State Development, Business and Innovation GeoVic 3 system on 7th October 2013. The tenements are believed by the authors to be in good standing, to be on freehold land (though some areas of restricted Crown land/reserves are excluded from the licences) and not subject to Native Title claims. All licences are understood to have met or exceeded their expenditure commitments and are on track to do so again in this current year. However it should be noted that CSA makes no other assessment or assertion as to the legal title of tenements and is not qualified to do so.

The legal status associated with the tenure of the Projects has not been independently verified by CSA. The present status of the tenements listed in this Report is based on information provided by STM, from their tenement managers Tenement Administration Services Pty Ltd, and the Victorian Department of State Development Business and Innovation GeoVic online system. The report has been prepared on the assumption that the tenements are, or will prove to be, lawfully accessible for evaluation and that any exploration licences applied for will ultimately be granted.

The statements and opinions contained in this report are given in good faith and in the belief that they are not false or misleading. The conclusions are based on the reference date of the 12th March 2014 and could alter over time depending on exploration results, mineral prices and other relevant market factors.

1.4 Authors of the Report

This Report has been prepared by CSA Global Pty Ltd.

The primary author of the report is CSA's Principal Geologist Mr Graham Jeffress BSc.(Hons), a Member of the Australian Institute of Geoscientists and a Registered Professional Geologist ("RPGeo"), who has worked for over 20 years as a professional geologist with experience in the exploration for, and the evaluation and mining of, mineral properties within Australia and worldwide.

The secondary author of the report is CSA's Principal Geochemist Mr Dennis Arne PhD, a Member of the Australian Institute of Geoscientists, a Registered Professional Geologist ("RPGeo"), and a Registered Professional Geoscientist in the province of British Columbia, Canada He has worked for over 30 years as a geologist with experience in the exploration for, and research of, mineral and petroleum deposits within Australia and worldwide.

1.5 Independence

Neither CSA, nor the authors of this report, has or has had previously, any material interest in STM, its predecessor Northern Platinum Pty Ltd, or the mineral properties in which STM has an interest. CSA's relationship with STM is solely one of professional association between client and independent consultant.

CSA is an independent geological consultancy. Fees are being charged to STM at a commercial rate for the preparation of this report, the payment of which is not contingent upon the conclusions of the report. The fee for the preparation of this report is approximately $35,000.

No member or employee of CSA is, or is intended to be, a director, officer or other direct employee of STM. No member or employee of CSA has, or has had, any shareholding in STM.

There is no formal agreement between CSA and STM as to STM providing further work for CSA.

1.6 Declarations

This Report has been prepared by CSA at the request of, and for the sole benefit of STM. Its purpose is to provide an Independent Technical Assessment of the Stavely, Ararat and Mortlake Projects.

The Report is to be included in its entirety or in summary form within a prospectus to be prepared by STM in connection with an initial public offering.

It is not intended to serve any purpose beyond that stated and should not be relied upon for any other purpose.

The information in this report that relates to exploration results relating to STM's Projects is based upon information compiled by Graham M. Jeffress, RPGeo, who is a Member of the Australian Institute of Geoscientists and Dennis C Arne, RPGeo, who is a Member of the Australian Institute of Geoscientists. Mr Jeffress and Mr Arne are full-time employees of CSA. Mr

Jeffress and Mr Arne have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as a Competent Persons as defined in the 2012 Edition of the JORC Code. Mr Jeffress and Mr Arne consent to the inclusion in the report of the matters based on his information in the form and context in which it appears.

1.7 Exploration Database

STM has acquired an extensive geological database with the purchase of the projects. These databases include data from extensive drilling campaigns, diamond drill core and percussion drill chips, surface geochemical samples, geophysical data and imagery, together with geological mapping.

CSA has not validated the database and therefore cannot comment on the quality of the data; however CSA notes that based on the data seen by CSA, the development and maintenance of the database is considered to be of a high quality, having been well managed using standard industry practices.

1.8 About this Report

This technical report describes the prospectivity of the Tenements to host a range of different mineralisation types. Copper mineralisation has been located on the Ararat Project, and there is evidence to support the potential for gold as well. At the Stavely Project, exploration has identified a range of deposit styles, including porphyry copper-gold, epithermal gold, orogenic gold as well as supergene copper.

The geology and mineralisation for each project area are discussed, as well as the exploration work done and the results obtained there from. A great wealth of data pertains to the work done on the Projects and an effort was made to summarise this so as to contain the size and readability of the report. Maps of the areas are presented and statistics on the drilling are provided.

No valuation has been requested or completed for the projects.

2 Regional Geology

STM's mineral projects are located in western Victoria within Palaeozoic terranes of different ages and structural histories (see Figure 2). The basement is traversed by thrust faults more or less parallel to the north-south structural grain. The largest faults subdivide Victoria into three main structural rankings consisting of two orogenic (fold) belts (Delamerian and Lachlan), two terranes in the Lachlan Fold Belt (Whitelaw and Benambra), and ten structural zones (Glenelg, Grampians-Stavely, Stawell, Bendigo, Melbourne, Tabberabbera, Omeo, Deddick, Kuark, Mallacoota).

The Stavely project lies within the Grampians – Stavely Zone of the eastern Delamerian Orogen (Crawford *et al*., 2003[3]) in the Cambrian calc-alkaline Mount Stavely Volcanic Complex ("MSVC"). The Mount Stavely Volcanic Complex has been correlated with the Cambrian Mount Read Volcanic Belt ("MRVB") of western Tasmania by Crawford *et al.* (2003) on the basis of similarities in the age of volcanism and geochemistry.

The Mount Stavely Volcanic Complex lies approximately 15–20 km west of the east-dipping Moyston Fault, a regionally important fault that marks the eastern terrane boundary of the Delamerian Orogen and the western margin of the Stawell Zone in the Lachlan Orogen (Figure 2). The western margin of the Stawell Zone is characterized in many places by Cambrian volcanic rocks of tholeiitic and boninitic affiliation typical of the volcanic rocks exposed elsewhere in the Lachlan Orogen (Crawford *et al*., 2003). These volcanic rocks and associated marine sedimentary rocks have been metamorphosed to form the Moornambool Metamorphic Complex ("MMC"). STM's Ararat project (northeast of Stavely) is underlain by rocks of the Moornambool Metamorphic Complex.

Cambrian rocks of the Mount Stavely Volcanic Complex were deformed during the Delamerian Orogeny and intruded by post-tectonic Late Cambrian granites (Gray *et al.*, 2003). By contrast, the Cambrian to Ordovician volcano-sedimentary sequence of the Stawell Zone was deformed during the late Ordovician to early Silurian Benambran Orogeny and intruded by late Silurian to early Devonian post-tectonic granites.

The Mount Stavely Volcanic Complex is poorly exposed to the south where it is overlain by Cainozoic basalts of the Western District volcanics (Figure 2). This is the case with the Mortlake project which occurs to the south of Stavely and although covered by basalt, it is thought to overlie the southern extension of the boundary between the Delamerian and Lachlan Orogens. To the north, the Mount Stavely Volcanic Complex is partially concealed by Silurian meta-sedimentary rocks of the Grampians Group.

[3] Some authors refer to this area as the Glenelg Zone (Gray et al., 2003). The Grampians-Stavely Zone has recently been referred to informally as the Dimboola Arc Domain of the Glenelg Zone to emphasize its origin in a Cambrian volcanic arc setting formed on the eastern margin of the Australian continent (Symon et al., 2009).

Western Victoria was subjected to deep weathering during the late Cainozoic resulting in the development of deeply weathered profiles that have been preserved on the Dundas and Stavely tablelands of the Western Uplands (Joyce *et al.*, 2003).

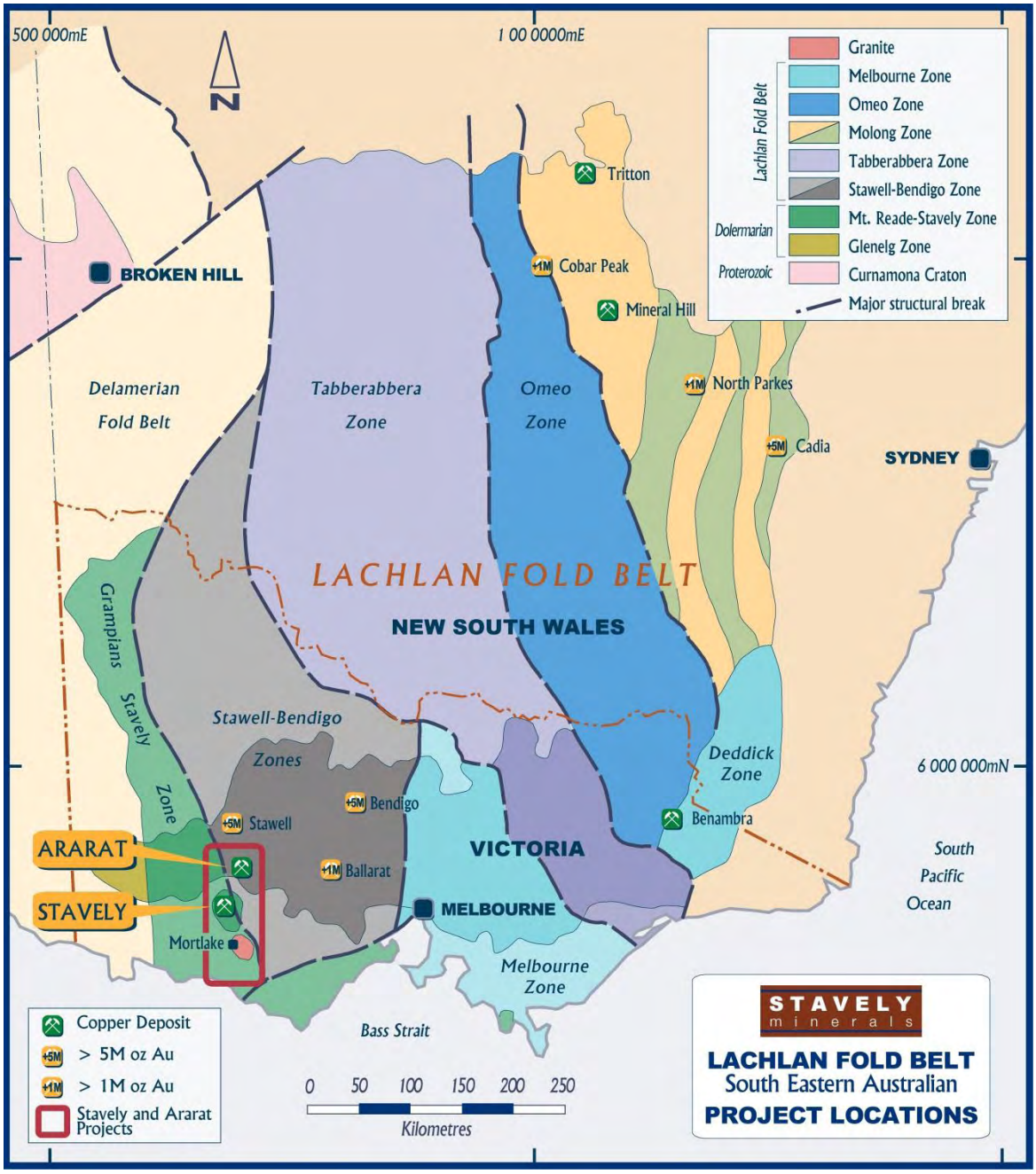

Figure 2: Simplified Regional Geology of South-eastern Australia.

3 Prospectivity and Mineralisation Styles

3.1 Grampians-Stavely Zone

The Grampians-Stavely Zone (Dimboola Arc Domain) is most prospective for four styles of mineral deposit:

1. Volcanogenic-hosted massive sulphide ("VHMS") base metal deposits;
2. Porphyry copper-gold deposits;
3. Epithermal silver-gold deposits; and
4. Skarn-type nickel sulphide deposits.

The prospectivity of the Mount Stavely Volcanic Complex derives in large part from speculation that it may be equivalent to the Mount Read Volcanic Belt of western Tasmania (Crawford *et al*., 2003; Symons *et al*., 2009). The Mount Read Volcanic Belt hosts economically significant VHMS base metal deposits (Que River, Hellyer, Rosebery, Hercules and Mount Lyell). The Mount Stavely Volcanic Complex also formed in a volcanic arc environment similar to that responsible for the formation of the Macqurie Arc during the Ordovician in the eastern Lachlan Orogen (Glen *et al*., 2003). The Macquarie Arc hosts significant copper-gold deposits, such as Northparkes, Cadia Hill, Cadia East and Ridgeway).

VHMS deposits are typically polymetallic massive sulphide deposits formed at or near the sea floor during submarine hydrothermal activity (Franklin *et al.*, 1995). They can contain stratiform to strata-bound concentrations of copper, zinc, lead, gold and silver, depending on the geological setting of the deposits, and often form clusters of deposits. Those formed in dominantly basalt sequences in back-arc tectonic settings tend to be copper- and zinc-rich and are often referred to as "Besshi" type, whereas those associated with tholeiites at accreted margins are "Cypress" type. Neither of these deposit types conform to the style of VMS deposit typically found in the Mount Read Volcanic Belt as they tend to be associated with bimodal tholeiitic to calc-alkaline volcanic suites ("Kuroko" type).

A controversial variant of the VHMS deposits in the Mount Read Volcanic Belt occurs at Mount Lyell. Copper mineralisation at Mount Lyell is hosted by volcanic rocks but is associated with high pyrite contents and massive to disseminated chalcopyrite +/- bornite (Hills, 1990). A VHMS origin and later hydrothermal origin have both been suggested for its genesis.

Seymon *et al*., (2009) consider the potential for copper-rich VHMS deposits in the Grampians–Stavely Zone to be high, particularly for mineralisation analogous to Mount Lyell.

Intrusion of volcanic arc rocks such at the Mount Stavely Volcanic Complex by shallow level porphyries can lead to the formation of porphyry copper ± gold ± molybdenum deposits (Sillitoe, 2005). Such deposits tend to be low grade but of very high tonnage. They are characterized by complex alteration patterns in part caused by the overprinting of earlier, high temperature assemblages during the waning stages of hydrothermal circulation. The main primary minerals

tend to be chalcopyrite and/or molybdenite associated with multiple vein sets. Copper grades are typically less than 1% but can be increased through supergene enrichment to form blankets overlying the primary mineralisation. This style of mineralisation is not widely recognized within the Grampians-Stavely Zone or in western Tasmania and so the prospectivity is difficult to assess. Porphyry copper-gold deposits formed in a similar environment during the Ordovician in the eastern Lachlan Orogen are hosted by potassic volcanic rocks intruded by porphyries and are associated with alteration styles significantly different that those observed at more typical porphyry deposits (Newcrest Mine Staff, 1998).

Another common type of precious metal mineralisation found in volcanic arc environments is epithermal silver-gold deposits (Simmons *et al.*, 2005). There are two variants. High-sulphidation deposits are often spatially related to intrusive rocks emplaced at shallow crustal levels and may be associated with porphyry copper mineralisation. Low-sulphidation deposits lack the clear spatial link to intrusive activity. The two deposit types can be distinguished on the basis of a number of features, including alteration type and spatial distribution, style of mineralisation, vein textures, mineralogy and trace elements. In so far as this style of mineralisation may be linked to porphyry copper systems, it would be considered to also have similar prospectivity as porphyry copper-gold deposits in the Grampians-Stavely Zone.

The Mount Stavely Volcanic Complex has only recently been identified as being prospective for nickel-copper sulphide deposits. This was following the discovery of the Avebury nickel deposit in the Dundas Trough of western Tasmania. Avebury is an unusual nickel deposit in that it appears to have formed as a skarn deposit during intrusion of the late Devonian Heemskirk Granite into Cambrian ultramafic rocks (Keays and Jowitt, 2013). Seymon *et al.*, (2009) consider the prospectivity for further nickel discoveries in the Grampians-Stavely Zone to be only moderate given the proposed hydrothermal, rather than magmatic origin for the Avebury deposit.

3.2 Stawell Zone

The Moornambool Metamorphic Complex of the Stawell Zone is considered to be prospective for two main deposit types:

1. Orogenic gold deposits; and
2. VHMS base metal deposits.

Metamorphosed Cambrian basalt and associated sedimentary rocks of the Moornambool Metamorphic Complex are considered to be equivalent to the Magdala Volcanics that host the Stawell orogenic gold deposit to the north (Symon *et al.*, 2009).

Orogenic deposits are typically structurally-controlled deposits consisting of gold-only, perhaps with associated trace metals (Goldfarb *et al.*, 2005). Gold may be found as a native metal within quartz veins or encapsulated within sulphide minerals such as pyrite or arsenopyrite disseminated within the host rock. Both styles of gold mineralisation are found within Victoria (Phillips, 2010). Wallrock alteration consisting of ferroan carbonate alteration, disseminated sulphides with elevated trace element concentrations and sericite development can be used to

vector into Victorian gold deposits (Arne, 2008; 2009). Grades and tonnages can be highly variable. The prospectivity for orogenic gold mineralisation within the Moornambool Metamorphic Complex is considered to be high by Seymon *et al*. (2009).

VMS deposits have not been recognized within the Moornambool Metamorphic Complex outside of the Mount Ararat copper deposit, nor are they a common deposit type in Cambrian volcanic rocks elsewhere in Victoria. Seymon *et al*. (2009) conclude that the potential for copper-rich VHMS deposits in the Moornambool Metamorphic Complex is only moderate. However, given their tendency to form clusters of deposits, the potential for additional VHMS deposits near the Mount Ararat deposit is considered to be good.

4 Ararat Project

4.1 Location, Access and Infrastructure

The Ararat project is located approximately 200 km west of Melbourne in western Victoria directly to the west of the township of Ararat (Figure 1). The project is cut by the Halls Gap-Ararat Road, as well as by the Pyrenees Highway to the south. Access through the project is excellent and is via a series of secondary roads and farm access tracks.

Photograph 1: View to Southeast looking over the Southern Part of the Mount Ararat Copper Deposit.

4.2 Tenements

The Ararat Project comprises two granted tenements EL 3019, EL 4758 and three applications for licences EL(A) 5477, EL(A) 5486 and EL(A) 5487. The exploration licences were granted under the provisions of the Victorian Mineral Resources (Sustainable Development) Act (1990). All are tenements are held by 100% by STM.

EL 3019 covers 35.14 km^2 and is valid until 21st December 2014. EL 4758 expires on 28th January 2014 and is 9.88 km^2 in area.

EL(A) 5477 was recently applied for and replaces EL(A) 5076 and those portions of EL 3019 relinquished by BCD Metals Pty Ltd in 2012. However, EL(A) 5477 also overlaps with a competing EL(A) 5476 and has not yet been granted. EL(A) 5487, consisting of 5 km^2, was applied for on June 21 2013 is also currently pending.

All five tenements overlap parts of restricted access Crown land forming the Ararat Hills Regional Park (administered by Parks Victoria) to various extents. It is not known to the authors what restrictions, if any, will apply to exploration activities in this area. Native Title can potentially be present in this area.

CSA reviewed the status of the licences using the Victorian Department of State Development, Business and Innovation GeoVic 3 system on 7th October 2013. The tenements are believed by the authors to be in good standing, to be on freehold land (apart from the small area of overlap with the Ararat Hills Regional Park) and not subject to Native Title claims. All licences are understood to have met or exceeded their expenditure commitments and are on track to do so again in this current year.

However it should be noted that CSA makes no other assessment or assertion as to the legal title of tenements and is not qualified to do so. For full discussion refer to the Independent Solicitor's Report elsewhere in the prospectus.

4.3 Project Geology and Mineralisation

The Ararat Project lies in the Stawell Zone of the Lachlan Orogen (Figure 2). It is predominantly underlain by metamorphosed, poly-deformed Cambrian volcanic and associated marine sedimentary rocks of the Moornambool Metamorphic Complex. The Moornambool Metamorphic Complex is bounded to the west by the east-dipping Moyston Fault and to the east by the west-dipping Coongee Fault (Figure 3).

The Moornambool Metamorphic Complex was deformed during the late Ordovician to early Silurian Benambran Orogeny and intruded by post-tectonic early Devonian granites (Gray *et al.*, 2003). The eastern boundary of EL(A) 5477 extends east of the Coongee Fault and thus incorporates portions of the Cambrian St Arnaud Group meta-sedimentary rocks. Parts of the project are covered by alluvial deposits and basalt of Cainozoic age. Alluvial gold deposits buried by Cainozoic basalt, known as deep leads in Victoria, were mined historically in the project area.

4.3.1 Mount Ararat

The Mount Ararat VHMS base metal deposit occurs in the Moornambool Metamorphic Complex approximately 1 km east of the western intrusive contact of the Mount Ararat Granite (Figure 3).

Mineral Resources

Hackman (2013b) reported an Inferred Mineral Resource estimate at Mount Ararat, presented below as Table 1.

- The exploration data is from historic drilling, comprising 55 holes (243 nominal 1m composites) and 266 assays, which were drilled to test a discrete steeply dipping body of base metal mineralisation. The drilling data is of unknown reliability and quality.
- The flat-lying, supergene mineralisation extends intermittently for a strike length of 4000m (in a northwest direction), has a breadth of 1500m and is up to 60m thick.

- The mineralisation extends for a strike length of 830m (towards 335°), vertically for 350m and ranges mostly between 1m and 3m thick (total massive + sub-massive + stringer mineralisation).
- The mineralisation is modelled between 4m and 14m thick in the upper 50m (this may be real, due to supergene actions or introduced due to the suspected wet/difficult RC drilling conditions).
- High grade restrictions are applied to the copper, gold, silver and zinc grade interpolations (55m radius of influence) using inverse distance squared methodology.
- A tonnage factor of 3.17 g/cm^3 was applied to all mineralised blocks.
- The model was reconciled both statistically and spatially with the source assay data.
- Three mineralisation types, two thicknesses as well as three resource cut-off grades were reported.

Table 1: Mount Ararat Copper Deposit Inferred Resources

Mount Ararat 2013 Inferred Resouce *(JORC, 2012 Edition)*						
Reporting Cut (%Cu)	**Mineralisation**	**Tonnes (KT)**	**Cu (%)**	**Au (ppm)**	**Ag (ppm)**	**Zn (%)**
0.5	Oxide/Weathered	310	1.5	0.4	2.9	0.2
	Supergene	80	2.3	0.5	4.7	0.3
	Primary >=2m	290	2.3	0.5	6.4	0.5
	Primary <2m	770	1.7	0.4	5.7	0.4
	Total Inferred	**1450**	**1.8**	**0.4**	**5.2**	**0.3**
1.0	Oxide/Weathered	220	1.7	0.4	3.2	0.2
	Supergene	80	2.5	0.5	4.9	0.3
	Primary >=2m	280	2.4	0.6	6.6	0.5
	Primary <2m	620	1.9	0.5	6.3	0.4
	Total Inferred	**1200**	**2.0**	**0.5**	**5.7**	**0.4**
2.0	Oxide/Weathered	70	2.6	0.7	4.7	0.2
	Supergene	50	2.9	0.7	5.3	0.3
	Primary >=2m	140	3.1	0.8	7.3	0.5
	Primary <2m	160	2.9	0.6	8.6	0.6
	Total Inferred	**420**	**2.9**	**0.7**	**7.1**	**0.5**

Note: rounding may cause apparent computational discrepancies. Significant figures do not imply precision. Nominal copper grade reporting cuts applied.

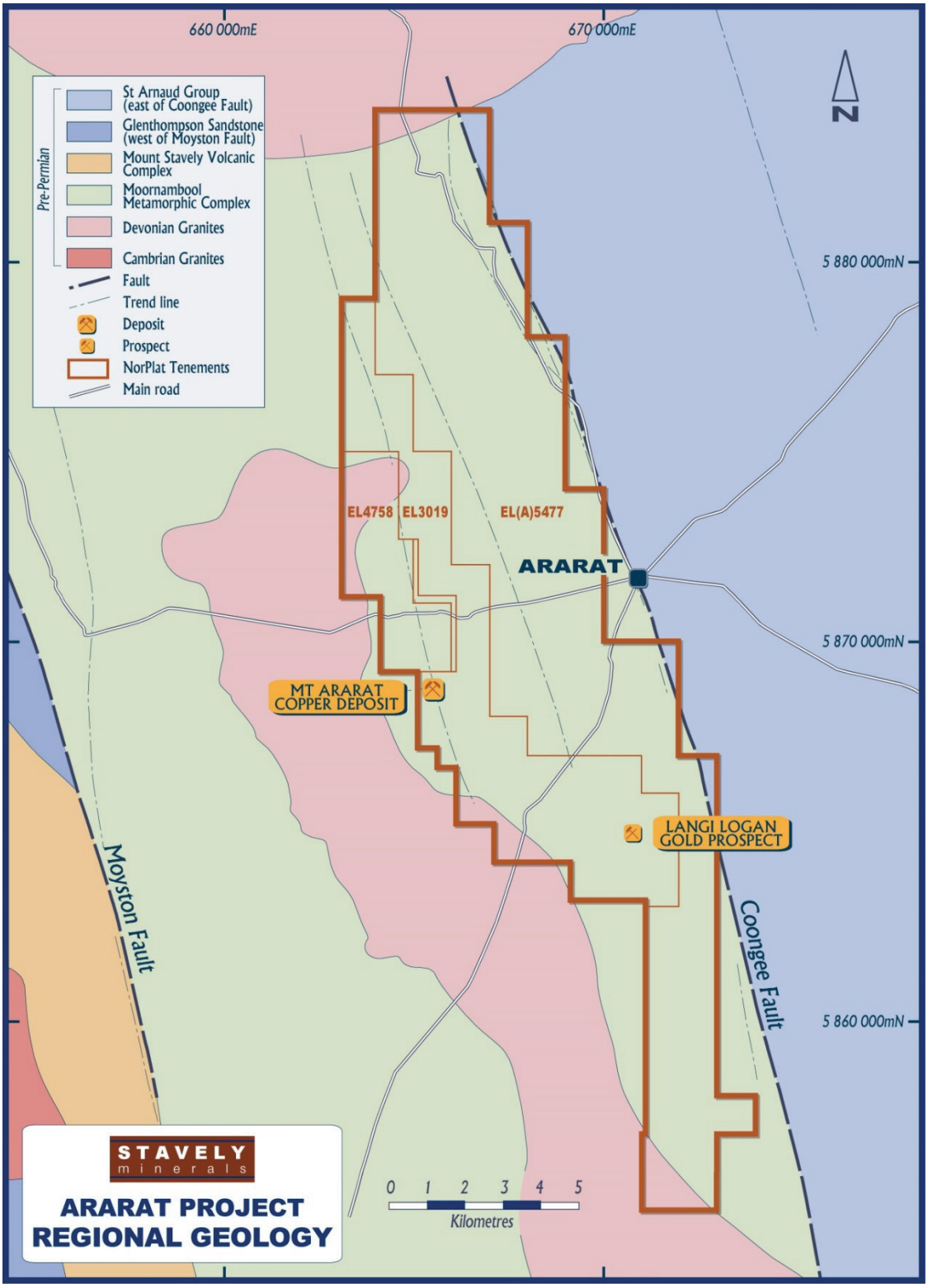

Figure 3: Geology of the Ararat Project.

Preliminary metallurgical test work completed in 2010 indicated that approximately half the oxide copper is hosted within copper carbonate minerals and approximately half in goethite and clays. Flotation recoveries were 35% in the oxide material but increased to 89% for sulphide material (Glen, 2010). Hackman (2013a) noted that the RC drill intercepts used for resource estimation were generally lower and wider than the diamond drill hole intercepts, leading to the suggestion that there may have been smearing of the mineralisation down the hole below the water table. Another possible explanation for these observations is that the RC holes targeted predominantly shallow mineralisation that had been subject to oxidation, with resultant leaching and secondary dispersal of metals.

A summary of drill holes used for the Mineral Resource estimate is given in Figure 4. A representative cross section through the deposit is given in Figure 5. A longitudinal section through the deposit is provided in Figure 6.

4.3.2 Langi Logan

The Langi Logan gold prospect is considered to be the other most significant prospect within the Ararat Project. Gold mineralisation has been intersected by diamond drilling on the flanks of a basalt dome (Figure 7) and the geological setting is similar to that observed at the Stawell gold deposit located approximately 50 km to the north along strike within the Moornambool Metamorphic Complex. Also shown on Figure 7 are the locations of significant historical alluvial gold production in the area.

The Langi Logan prospect comprises altered and gold mineralised metasedimentary rocks on the faulted contact of a large basalt dome (Figure 8). Sparse drilling has provided highly encouraging results, including a diamond drill hole into the south-western contact returning 2 m at 9.2 g/t Au, while the structurally more favourable north-western contact (as interpreted by STM) remains undrilled. The positions of the mineralised intersections illustrated in Figure 8 would be similar to the hangingwall lodes observed in the Magdala deposit at Stawell.

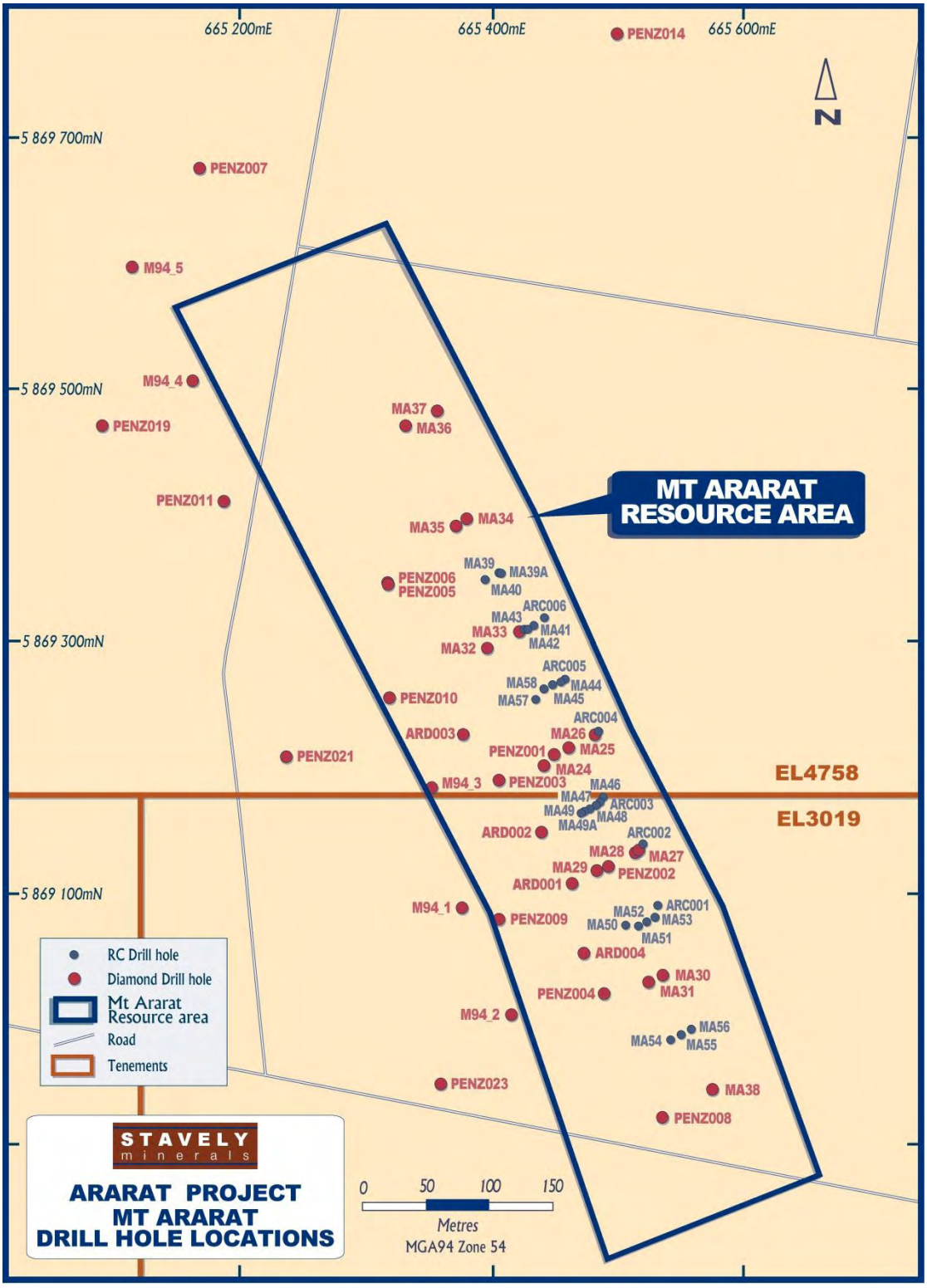

Figure 4: Mount Ararat Drilling Collar Locations.

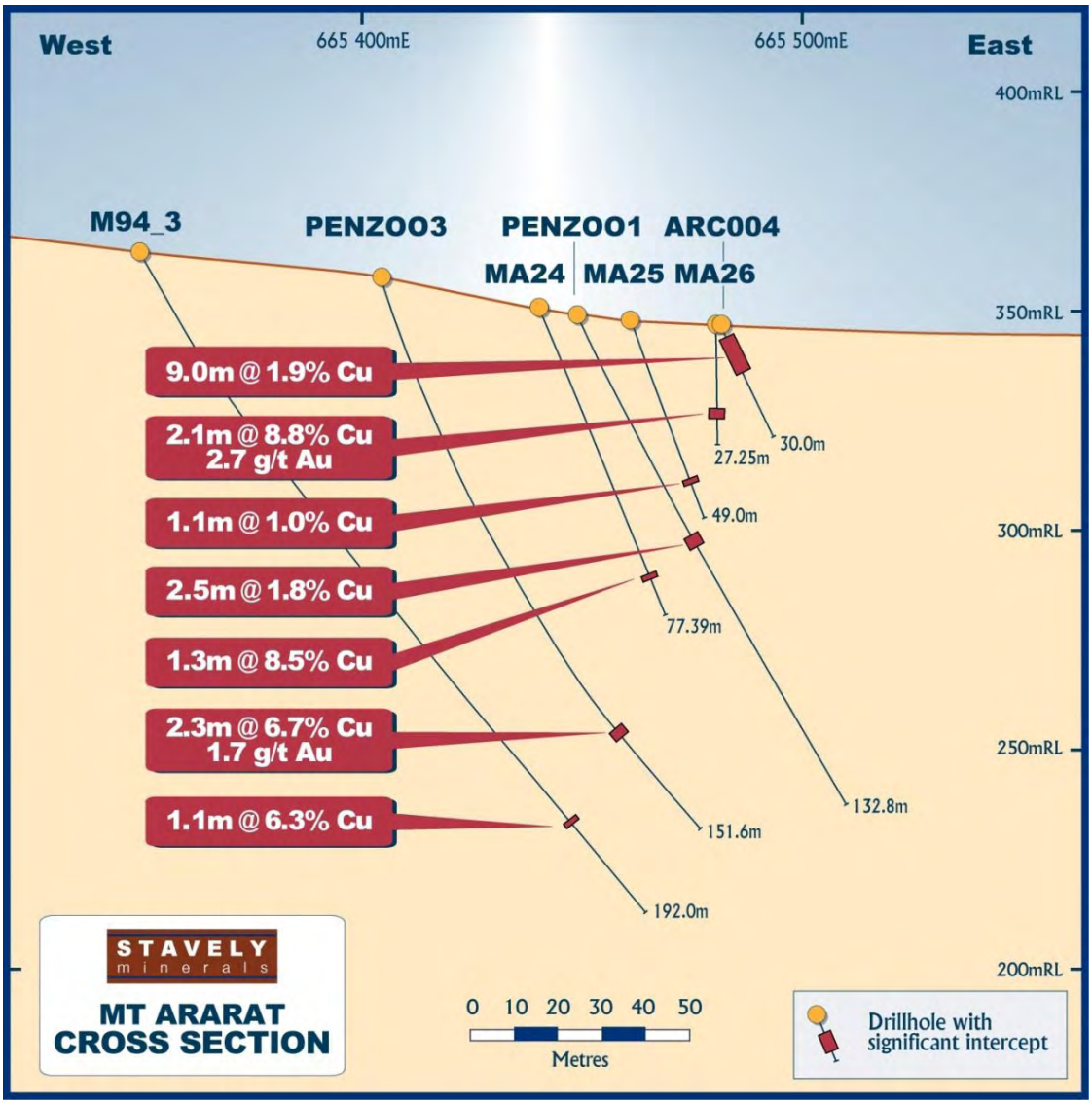

Figure 5: Mount Ararat Cross Section from near Centre of the Lode.

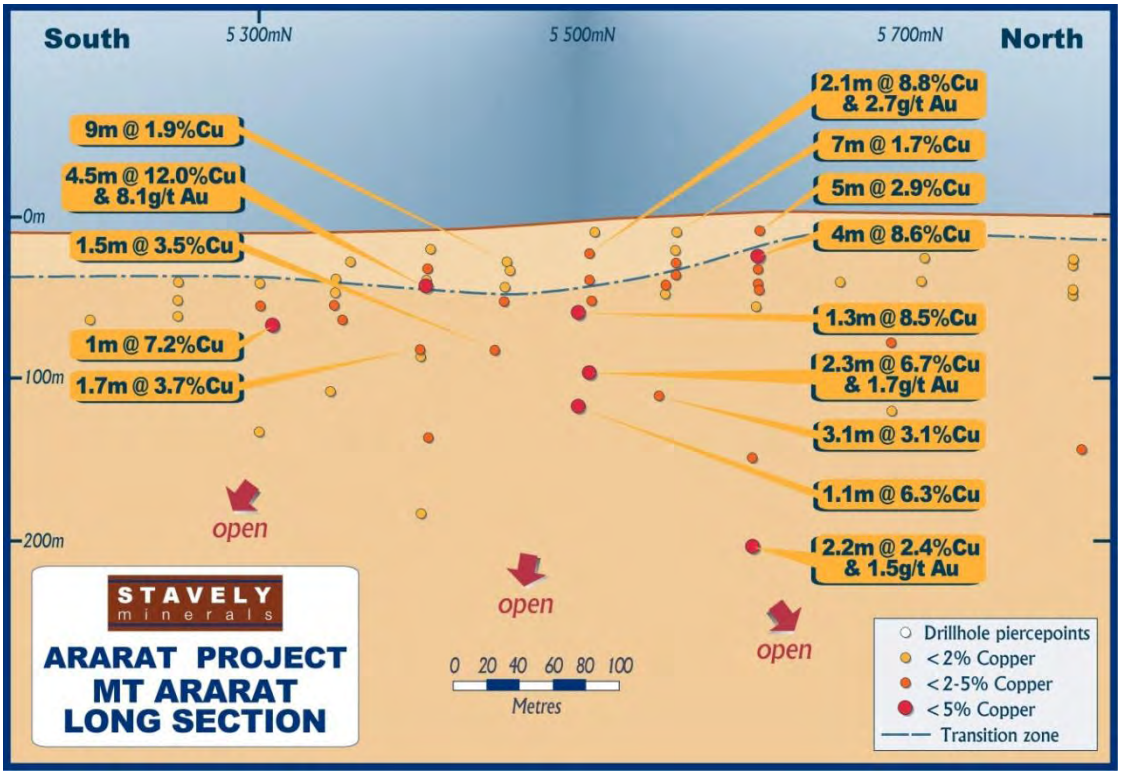

Figure 6: Mount Ararat Copper Deposit Long Section showing Drill Intersections.

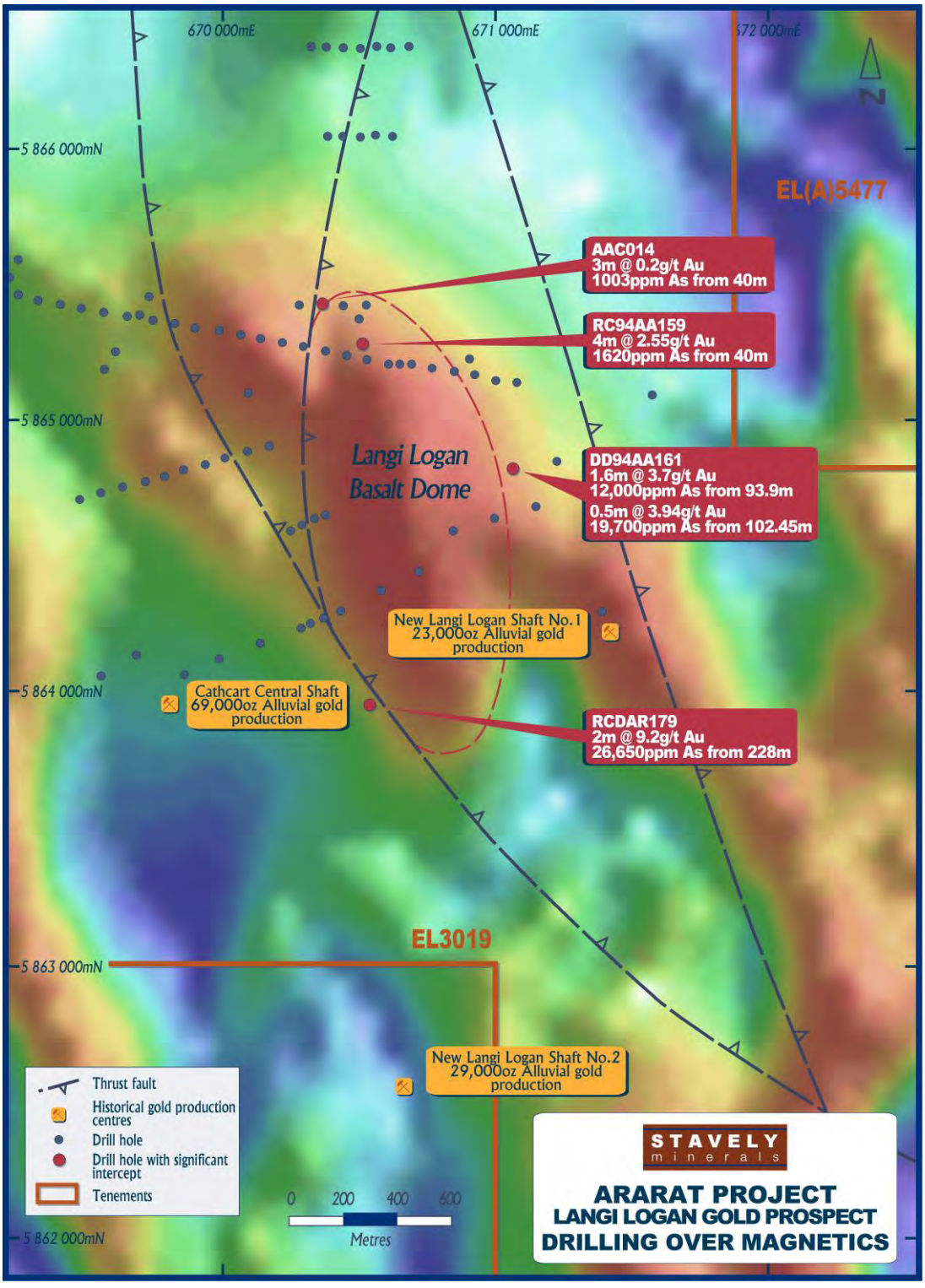

Figure 7: Langi Logan Prospect Geology, Drilling and Selected Intersections over TMI Image.

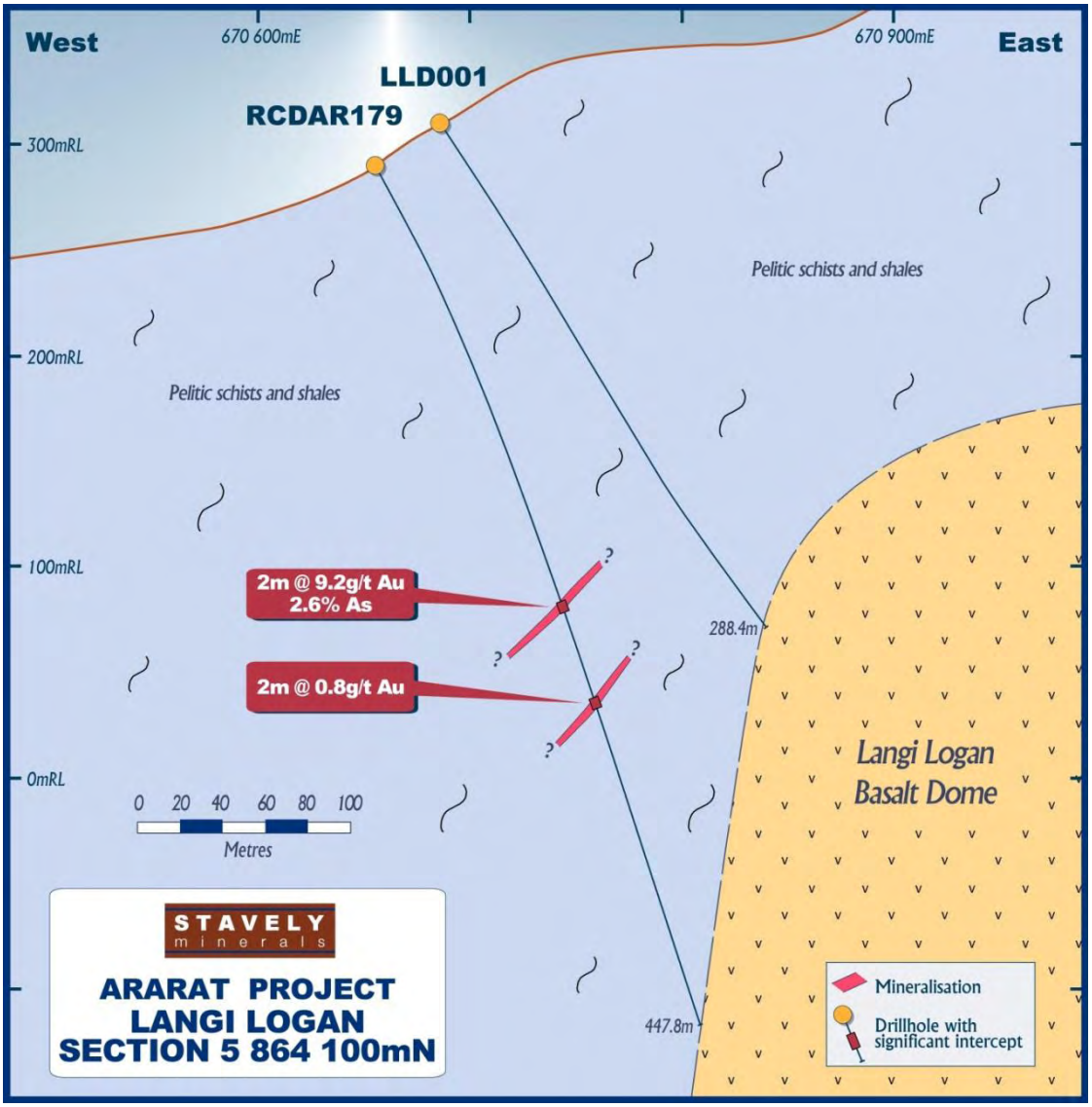

Figure 8: Langi Logan Schematic Cross Section Illustrating Interpreted Nature of Historical Gold Intersections.

4.4 Past Exploration

The tenement history of the Ararat project is complex due to changing tenures, relinquishment of ground, amalgamation of adjacent exploration licences and a number of farm-in agreements. The following description is based on a review of historical exploration licence reports and a summary of exploration activity on EL 3019 and EL 4758 provided by the Department of Primary Industries (Brookes, 1997; Anon, 2007). Only the most relevant activities have been summarised in Table 6 and the authors make no claim as to its completeness.

The Mount Ararat Copper Deposit was discovered by Pennzoil of Australia Ltd using stream, soil and rock geochemistry followed by drill testing in the late 1970s. The exploration licence then passed to Centaur Mining & Exploration Ltd who undertook further drilling of the deposit, culminating in a Mineral Resource estimate in 1994. Centaur Mining & Exploration went into receivership in 2002 and the license passed to Range River Gold NL.

Newcrest Operations Limited explored the Ararat Project under option from Range River Gold NL and undertook gravity and airborne VTEM surveys.

Drilling near a basalt dome at Langi Logan similar to that associated with gold mineralisation at Stawell produced a best result of 2 m of 9.2 g/t from 228 m associated with arsenopyrite in a shear zone cutting sulphidic meta-sedimentary rocks in RCDAR179.

BCD Metals Pty Ltd optioned the Project from Range River Gold NL in 2009 and full control was granted to BCD Metals when Range River went into voluntary administration in April 2011. Further drilling of the Langi Logan and Langi Logan South Prospects confirmed anomalous gold values reported by Newcrest but no significant intersections were obtained.

Table 2: Summary of Historical Exploration Activity on EL3019 & 4758

Years	EL	Operator	Geophysics	Geochemistry	Drilling
2009-2012	3019, 4758, 5076	BCD Metals		1194 drill samples	6 DDH for 2169 m; 6 RC for 160 m; 25 AC for 2371 m
2004-2008	3019, 4758	Newcrest Operations	638 gravity stations; airborne VTEM	23 rock chip samples; drill samples	198 AC for 14540 m; 2 RC for 165 m, 1 DDH for 594.6
2002-2004	3019	Range River Gold		12 rock chip samples; drill samples	119 RAB for 4417 m
2000-2002	3429	Centaur Mining & Exploration		97 rock chip samples; drill samples	4 RC for 205.8 m; 3 DDH tails for 646.8 m
1997-2000	3429	Range River Gold		34 rock chip samples	
1995-1996	3429	Stawell Gold Mines	4.1 km of IP	99 rock chips samples;48 soil samples	75 auger samples; 2 DDH for 500 m; 6 RC for 674.7 m; 412 AC for 3679 m
1991-1994	3429; 2653	CRA Exploration	6.2 km of ground magnetics; 5 km of IP	83 rock chips samples; 61 soil samples; drill samples	4 DDH + 2 RC for 955 m
1992-2001	3019	Centaur Mining & Exploration Ltd			42 RC for 2610 m; 6 DDH for 1276.8 m; 173 AC for 6856 m; 19 RAB for 1130 m
1989-	2417	Centaur		Drill samples	90 RC for >4132 m

Years	EL	Operator	Geophysics	Geochemistry	Drilling
1992		Mining & Exploration			
1982-1987	1224	Centaur Mining & Exploration	Ground magnetic & TEM survey; 1325 km of airborne magnetic + radiometrics	174 rock & chip samples; drill samples	15 DDH for 733 m; 22 RC for 954 m; 836 RAB for 6258
1973-1983	467, 509	Pennzoil of Australia Ltd	IP, ground EM & magnetic surveys; airborne EM	108 stream sediment samples, 185 rock samples, 2820 soil samples; drill samples	32 DDH for 4233 m; >20 RAB

Notes: AC – aircore; RAB – rotary air blast; RC – reverse circulation; DDH – diamond drilling; IP – induced polarisation survey; EM – electromagnetic survey; DEM – digital elevation model

4.5 Recent Exploration by Stavely Minerals

Since acquiring the Ararat project in 2013, STM have conducted a ground electromagnetic survey over the 4 km strike length of the VTEM conductor previously identified by Newcrest. Data quality of the new survey was very good and clearly defined robust conductors, both over the known Mount Ararat mineral resource and also extending northwards along strike for nearly 3 km beyond Mount Ararat (Figure 9).

The northern extension of the strong conductor identified at Mount Ararat weakens and plunges to the north. These areas are known as the Carroll's Prospect (south of the Hall Gap-Ararat Road) and South Pole Prospect to the north of the road. The latter is associated with anomalous copper in residual soil samples along the eastern margin of the conductor.

The Inferred Mineral Resource estimate for Mount Ararat has been updated to conform to JORC 2012 (Hackman, 2013b). These estimates are provided in Table 5 and the methodology has been discussed in a previous section of this report.

4.6 Exploration Potential

The Moornambool Metamorphic Complex probably correlates with the Magdala Volcanics at Stawell where gold mineralisation occurs within basalt and overlying St Arnaud Group meta-sedimentary rocks on the flank of a domal structure covered by basalt. The Stawell Gold deposit is estimated to contain just less than 4 million ounces of primary gold, excluding alluvial production derived from the field (Phillips *et al.*, 2003).

The Magdala Volcanics at Stawell vary from tholeiitic pillow basalt to volcaniclastic in nature, with the latter showing iron enrichment that would be compatible with exhalative sea floor activity. The Mount Ararat VHMS copper deposit is considered have formed in the same stratigraphic position although the Cambrian sequence on the Ararat Project has been exposed to a higher grade of metamorphism (Crawford *et al.*, 2003). The Ararat Project is therefore

prospective for further discoveries of VHMS base metal mineralisation as well as structurally-controlled orogenic gold deposits similar to those at Stawell.

The use of high-resolution gravity and magnetic surveys to detect the near-surface presence of basalt domes has been demonstrated and some encouraging drill results have been obtained from the Langi Logan prospect that confirm gold mineralisation associated with the flanks of a buried basalt dome. The contacts of this feature have not all been tested and there remains scope for significant gold mineralisation similar to that observed at Stawell to be identified. Approximately 92,000 ounces of alluvial gold was produced from the nearby Cathcart Central Shaft and New Langi Logan Shaft No. 1 mines. Although the source of this alluvial gold is uncertain, its proximity to a basalt dome is an encouraging sign.

The Mount Ararat Copper Deposit gives a recognizable late time electromagnetic response although the early-time response is obscured by highly conductive groundwater (Willocks, 1999). An airborne VTEM survey flown by Newcrest in 2007 was able to recognize the Mount Ararat deposit as well as a conductor that what was inferred to be a graphitic schist horizon to the north.

The Mount Ararat host sequence and VTEM conductive zone was subject to a ground fixed loop EM (FLEM) survey by STM in July 2013. Ground EM provides greater depth penetration and substantially improved signal compared to airborne EM systems such as VTEM. The VTEM anomalies were validated and better defined by the FLEM survey. The Mount Ararat deposit, as currently defined, is associated with a strong conductor having a strike length of 350 m and extending to a depth of 400 m, well below the depth of previous drilling (Ebner, 2013b). There is therefore potential to extend the deposit to depth. A conductor identified at the Carroll's prospect is not connected to the Mount Ararat deposit and plunges to the south. This feature weakens further to the north, at the South Pole prospect, and may not reflect a simple tabular body (Ebner, 2013b). Newcrest had previously attributed the northern extension of the VTEM anomaly as due to a graphitic horizon, although no direct evidence for this interpretation was presented. Although this possibility cannot be ruled out given the presence of carbonaceous meta-sedimentary rocks at Stawell, the FLEM conductors coupled with elevated copper-in-soil geochemical results, suggest that there are a number of VHMS targets along a considerable strike length that warrant drill testing (Figure 9).

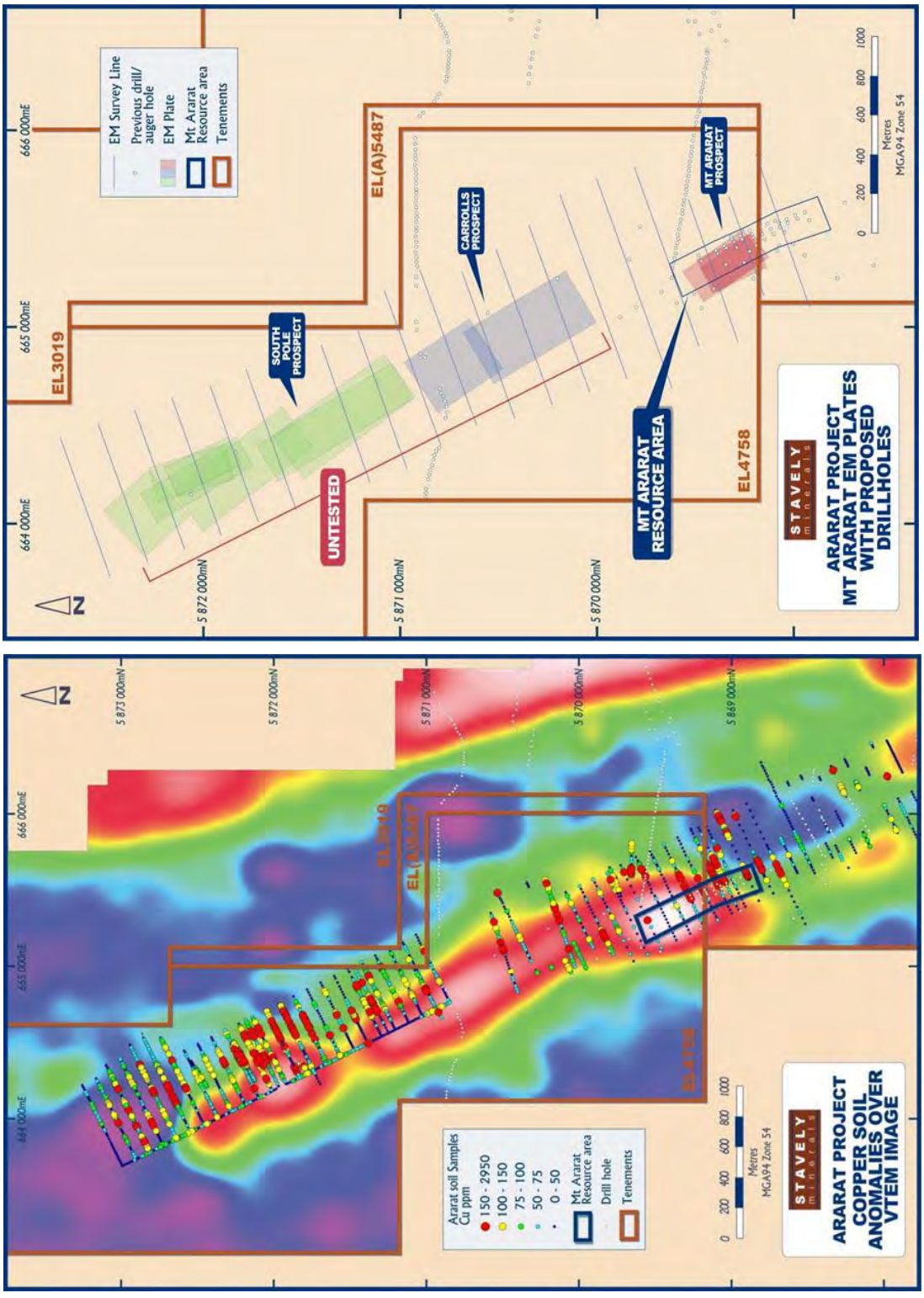

Figure 9: VTEM Late Channel Conductor at Mount Ararat with Soil Geochemistry (LHS) and interpreted EM plates with proposed drilling tests (RHS).

4.7 Exploration Programme and Budgets

The Ararat Project is a moderately advanced exploration play in an area with a number of well-defined targets and exploration models requiring testing. STM has provided CSA with a clear exploration strategy to further test the mineral potential of the Ararat Project.

The Mount Ararat northern extensions are well defined by zinc and copper soil geochemical anomalies and by ground EM conductors.

Two phases are drilling are proposed for the first year. Phase 1 drilling comprises shallow (<200 metre deep) RC percussion drill holes to test the better portions of the almost 4 kilometres of strike extent of the electromagnetic conductors extending from Mount Ararat north to the Carroll's and South Pole Prospects. First-pass drill holes will be surveyed by down-hole EM tools to identify any off-hole conductors. First pass drilling metres are expected to be in the range of 5,000m of RCP drilling and follow-up of 1,000m of RCP drilling and 2,000m of diamond drilling contingent on positive results from first-pass drilling and downhole EM surveys.

The Langi Logan Prospect requires a small IP survey to fine tune the interpreted contact of sulphidic sediments and the basalt dome. Following the IP, drilling on the northwest margin of the dome and around the previous result of 2 m at 9.2 g/t Au is proposed. Expected drilling will be in the order of 2,000m of pre-collared diamond core drill holes. RC percussion drilling is problematic in this area due to unconsolidated sediments beneath the Tertiary basalt cover.

A two year programme budget of $1.5–2.6 million has been outlined and is summarised in Table 3 below. The Ararat budget provides for drilling in Year 1 to test the coincident EM/soil geochemical targets, followed by infill/additional geophysics, e.g. downhole EM or mise a la masse, as well as expanding the surface geochemistry. The Year 2 programme provides for core drilling to provide metallurgical samples, density measurements and improved geological understanding. Further down hole geophysics and updated resource estimations are planned for the second year as well.

Table 3: Two-year Exploration Budget Breakdown for Ararat Project

Activity	Year 1		Year 2	
	Min	Max	Min	Max
Staffing/Consultants/Contractors	$130,000	$300,000	$105,000	$245,000
Field Support & Logistics	$110,000	$230,000	$85,000	$185,000
Landowner liaison	$5,000	$10,000	$3,000	$20,000
Geophysics	$65,000	$105,000	$20,000	$45,000
Geochemistry	$0	$0	$0	$0
Drilling	$0	$0	$0	$0
Aircore/RAB	$0	$0	$0	$0
RC percussion	$200,000	$360,000	$0	$0
Diamond Core	$500,000	$460,000	$0	$315,000
Assays and other analytical work	$120,000	$180,000	$35,000	$40,000
Technical studies	$15,000	$20,000	$15,000	$25,000
Administration & overheads	$45,000	$60,000	$12,000	$40,000
TOTALS	**$1,190,000**	**$1,725,000**	**$275,000**	**$915,000**

The proposed budget is considered consistent with the exploration potential of the Ararat Project and is considered adequate to cover the costs of the proposed programme. The budgeted expenditure is also considered sufficient to meet the minimum statutory expenditure on the Ararat Project tenements.

5 Stavely Project

5.1 Location, Access and Infrastructure

The Stavely Project is located in western Victoria on the Stavely tablelands approximately 250 km to the west of Melbourne (Figure 1). The main exploration license (EL 4556) is cut by both the Glenelg and Pyrenees Highways, as well as by a network of secondary roads and farm tracks. Access is considered to be excellent. A rail line also crosses EL 4556 and passes directly over the southern extension of the Thursday's Gossan Copper Deposit. The small regional communities of Dunkeld, Glenthompson, Lake Bolac and Willaura are located within a short drive to the Project.

Photograph 2: View Southwest over Thursday's Gossan Copper Deposit.

5.2 Tenements

The Stavely Project mineral assets comprise two granted tenements EL 4556 and EL 5471. The exploration licences were granted under the provisions of the Victorian Mineral Resources (Sustainable Development) Act (1990). All are tenements are held by 100% by STM. EL 4556 is 139 km^2 in area and EL5471 covers 13.4 km^2 in area.

The Stavely Project area, or portions thereof, has been held under a succession of exploration licenses for several decades. EL 4556 was originally granted to New Challenge Resources Pty Ltd on April 5 2001. The title to EL 4556 was transferred to BCD Metals Pty Ltd on August 25 2009 and then to Northern Platinum Pty Ltd on May 20 2013. It was last renewed on 5th April 2012 for two years and is understood by the authors to be in good standing.

Historical exploration licences EL 4929, EL 4931 and EL 4932 were amalgamated with EL 4556 in 2009. New Challenge Resources Pty Ltd retains a net smelter return royalty of 3% in EL 4556, although there is an option to reduce this to 1% upon payment.

EL 5471 to the west of EL 4556 was granted on 17th June 2013 and is valid until 16th June 2016.

CSA reviewed the status of the licences using the Victorian Department of State Development, Business and Innovation GeoVic 3 system on 7th October 2013. The tenements are believed by the authors to be in good standing, to be on freehold agricultural land and not subject to Native Title claims. All licences are understood to have have met or exceeded their expenditure commitments and are on track to do so again in this current year.

However it should be noted that CSA makes no other assessment or assertion as to the legal title of tenements and is not qualified to do so.

5.3 Project Geology and Mineralisation

EL 4556 is predominantly underlain by the Mount Stavely Volcanic Complex between the Mount Stavely East and Mount Stavely West faults (Figure 10). Meta-sedimentary rocks of the Grampians Sandstone occur to both the east and west of the Mount Stavely Volcanic Complex, with which they are in fault contact. EL 5471 is predominantly underlain by Cambrian Glenthompson Sandstone, as well as some Grampian Sandstone and an outlier (?) of Moornambool Metamorphic Complex.

Significant mineralisation on the Stavely Project includes:

- Thursday's Gossan Copper Deposit;
- Junction 1 and 3 (porphyry) Copper Prospects;
- Fairview North and South (epithermal) Gold Prospects;
- Wickliffe (VHMS) Base Metal Prospect;
- Patanga (porphyry) Copper Prospect; and
- Drysdale (porphyry) Copper Prospect.

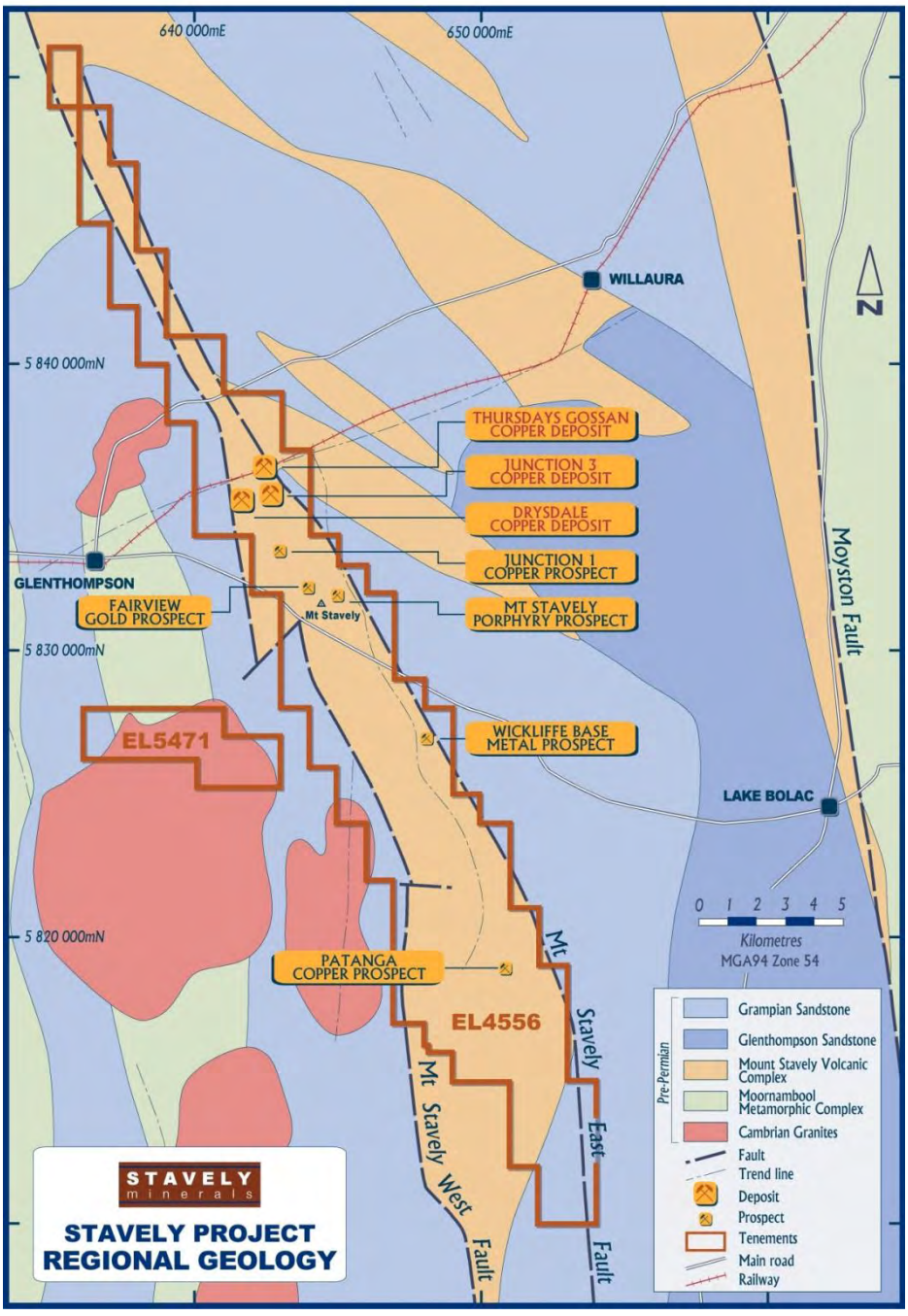

Figure 10: Geology of the Stavely Project.

5.3.1 *Thursday's Gossan Copper Deposit*

Mineral Resources

The Thursday's Gossan Copper Deposit has an Inferred Mineral Resource estimate (reported by Hackman, 2013a; and summarised in Menzies (2013) as listed below.

Table 4: The Thursday's Gossan Chalcocite Copper Inferred Resource Estimate

Thursday Gossan Chalcocite Copper August 2013 Inferred Resources *(JORC 2012 Edition)*					
Copper Mineralisation Subdivision		**Lower Cu Cut (%)**	**Tonnes (MT)**	**Copper Grade (%)**	**Contained Copper (KT)**
Mineralisation greater than 10m thick	**10 to 20m thick**	0.20	8.5	0.3	28.1
		0.30	4.5	0.4	18.4
		0.50	0.5	0.7	3.4
	Greater than 20m thick	0.20	14.4	0.4	61.7
		0.30	9.7	0.5	49.7
		0.50	3.1	0.8	24.8
	Sub Total (greater than 10m thick)	***0.20***	***22.9***	***0.4***	***89.8***
		0.30	***14.2***	***0.5***	***68.0***
		0.50	***3.7***	***0.8***	***28.2***
Mineralisation less than 10m thick		0.20	5.1	0.3	17.1
		0.30	2.5	0.4	10.6
		0.50	0.2	0.9	2.1
Total Mineralisation		**0.20**	**28.1**	**0.4**	**106.9**
		0.30	**16.7**	**0.5**	**78.6**
		0.50	**3.9**	**0.8**	**30.3**

Note: Rounding may cause apparent computational discrepancies. Significant figures do not imply precision.

- The resource model includes mineralisation at Thursday's Gossan and at prospects known as Chalcocite Copper, Junction and Drysdale.
- The estimate is based on historic drilling data comprising 225 holes and 2355 copper assays. The drilling data is of unknown reliability and quality.
- The flat-lying, supergene mineralisation extends intermittently for a strike length of 4000m (in a northwest direction), has a breadth of 1500m and is up to 60m thick.
- Copper grades were interpolated without any cuts or restrictions using inverse distance squared methodology.
- A tonnage factor of 2.10 g/cc was applied to all mineralised blocks.
- The model was reconciled both statistically and spatially with the source assay data.

- Three mineralised thicknesses as well as three resource cut-off grades were reported.

A cross section through Thursday's Gossan Copper Deposit is illustrated in Figure 11.

Conceptual Study of Development options

Based on the Inferred Mineral Resource, BCD Resources completed a conceptual development study based on a nominal 1.5 Mt/a flotation plant with encouraging results. The study investigated resource, mining, metallurgical processing, environmental, infrastructure, permitting and cost aspects and identified areas which require further work to take the project to a Feasibility Study. The study identified the following key positives in the project plan:

- Clean concentrate with gold, silver and lead credits based on floatation tests;
- Resources are amenable to initial open cut operations, with free digging mineralisation and low strip ratio evident at Thursday's Gossan;
- A central processing plant at Thursday's Gossan for multiple deposits;
- Close proximity to existing infrastructure and a local workforce; and
- Concentrate transport opportunity on the Ararat-Portland

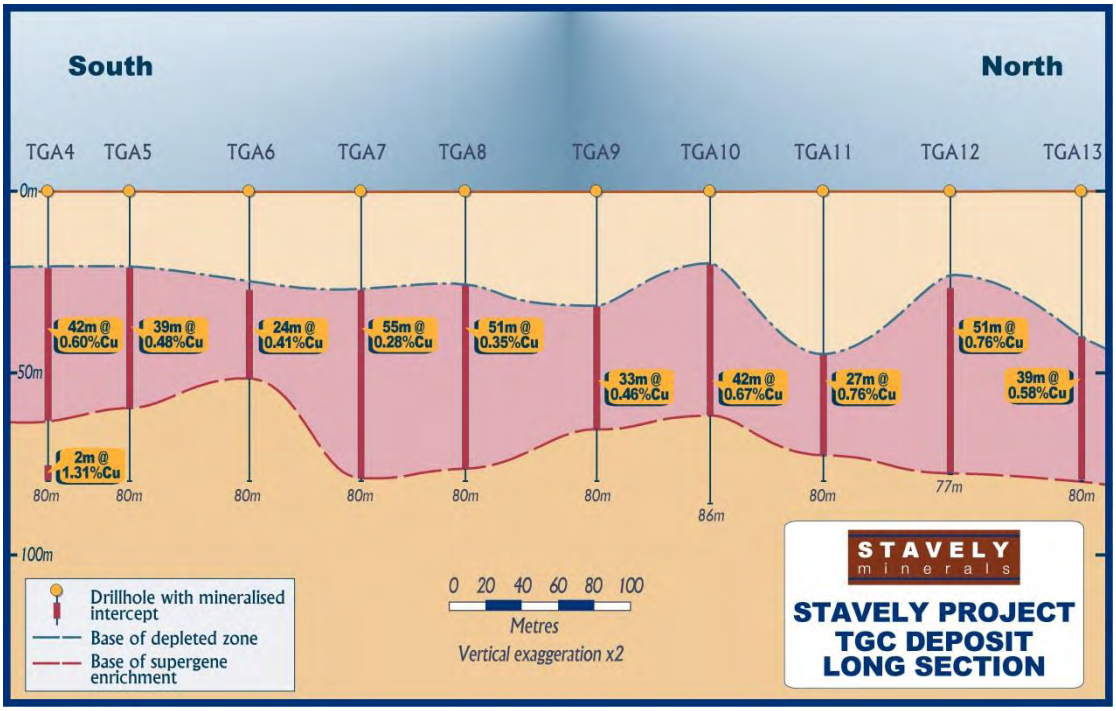

Figure 11: Long Section through the Thursday's Gossan Copper Deposit.

5.3.2 Fairview Gold Prospect

The Fairview Gold Prospect was first identified as a gold-in-soil anomaly approximately 4 km in length in Glenthompson Sandstone directly west of the Mount Stavely Fault West (Figure 12). A single aircore hole drilled by Newcrest intersected 14 m of 0.4 g/t Au from 32 m to the end of the

hole, confirming a bedrock source for the soil anomaly (Legge, 2005). Shallow aircore drilling of Fairview North by Beaconsfield Gold Mines Pty Ltd has generated significant near-surface gold values in excess of 1 g/t, including 4 m of 6.69 g/t Au from 10 m (FAH035) and 30 m of 1.39 g/t from surface (FAH131). BCD Metals Pty Ltd obtained 10 m of 4.2 g/t Au from 6 m in FAC178 from Fairview North in 2012. The gold mineralisation is associated with silicified porphyry dykes cutting meta-sedimentary rocks. A summary of some of the more significant drill intercepts is given in Figure 12, although these should be interpreted within the context of the number of holes drilled on the prospect.

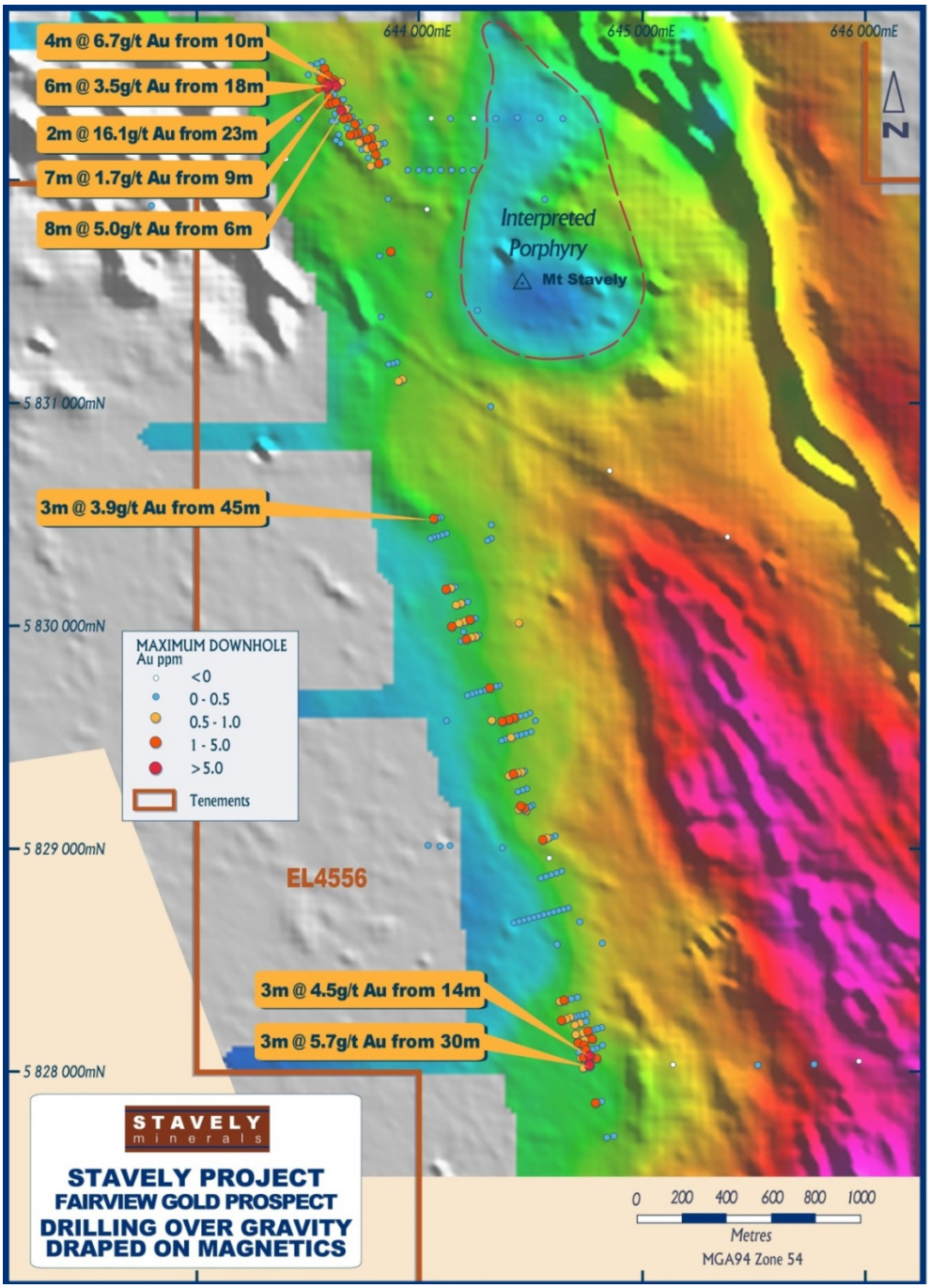

Figure 12: The Fairview Gold Prospect - drilling, gravity and magnetic Imagery.

5.3.3 Junction Prospects

The Junction prospects consist of several different porphyry-style occurrences that have been identified on the basis of soil geochemistry. Junction 1 is associated with the Junction Porphyry, whereas Junction 3 is related to the same low gravity feature that hosts the Thursday's Gossan

Porphyry (Figure 13). Significant intersections of supergene copper mineralisation were encountered in drilling by Pennzoil, including 16.5 m of 0.86% Cu from 20 m and 16 m of 0.99% Cu from 42 m in DDH Junction 3 drilled at the Junction 1 prospect (Legge, 2005). More recent aircore and reverse circulation drilling by Beaconsfield Gold Mines Pty Ltd includes 35 m at 3.69% Cu from 24 m (TGAC078), 12 m of 1.61% Cu from 33 m (TGRC087) and 7 m of 1.59% Cu from 71 m (TGRC110). These intersections should be interpreted within the context of the amount of historical drilling undertaken on the Stavely Project as summarized in Table 5.

Copper has been intersected by shallow drilling at the Junction 3 prospect on the southern margin of the Thursday's Gossan porphyry by Beaconsfield Gold Mines Pty Ltd (Figure 13). Most results are in the 0.3 to 0.6% Cu range, over widths between 2–12 m suggesting supergene enrichment of a low-grade primary copper source. The Junction 3 prospect contains shallow, supergene-enriched copper mineralisation that might be able to be used to supplement mineralisation at Thursday's Gossan and for this reason has been included in the Thursday's Gossan Mineral Resource estimate.

Aircore drilling by Beaconsfield Gold Mines Pty Ltd also tested a copper soil anomaly at Drysdale, to the west of Junction 3 and south of Thursday's Gossan on the margin of the inferred Thursday's Gossan Porphyry (Figure 13). Best results were 10 m of 0.69% Cu from 44 m (TGAC092) and 1.5 m of 1.68% Cu from 62 m (TGAC105). The widespread and shallow nature of elevated copper at Drysdale suggests it may have potential to provide a source of supergene copper and for this reason it has also been included in the resource model for the Thursday's Gossan Copper Deposit.

5.3.4 Patanga Prospect

The Patanga Copper Prospect (Figure 10) showed evidence of elevated copper in 1997 CRA drill results, including 4 m of 0.66% Cu and 0.75 g/t Au from 36 m, and 3 m of 0.24% Cu from 63.6 m (Legge, 2005). More recent drilling by BCD Resources in 2010 failed to intersect significant base or precious metal mineralisation at Patanga, although highly anomalous gold, copper and zinc values were obtained from brecciated andesite. It is not clear whether this prospect represents a distal porphyry-style of mineralisation, or is related to VHMS mineralisation. The Wickliffe VHMS Base Metal Prospect occurs approximately midway between Thurday's Gossan and the Patanga Prospect on the east side of the Mount Stavely Volcanic Complex near the stratigraphic top of the sequence (Legge, 2005). Some of the better historical drill intercepts from approximately 12 diamond drill holes into the prospect include:

- 3.15 m at 2.27 g/t Au, 4.9% Zn, 0.2% Cu and 7 g/t Ag from 73.4 m drill depth in PEND1W;
- 4 m at 0.74% Cu and 5 g/t Ag from 60 m drill depth in PEND4W and
- 29 m at 0.33% Cu from 78 m drill depth in VICT2D3.

5.3.5 Nickel Potential

The Williams Road serpentinite occurs on EL 4556 and has been previously been explored for nickel sulphides. Parts of EL 4932 were explored for heavy mineral sands in 2008 by Mineral Sands Limited, prior to the amalgamation of EL 4932 with EL 4556.

5.4 Past Exploration

The locations of significant mineralisation discovered on the Stavely Project are illustrated in Figure 11 and Figure 13.

A partial summary of the exploration history of EL 4556 and predecessor exploration licences is provided in Table 6. Exploration activity became focused on Thursday's Gossan, Junction and Wickliffe prospects following their discovery by Pennzoil of Australia Ltd in the late 1970's. North Limited continued to focus on Thursday's Gossan and VHMS-style mineralisation at Wickliffe in the 1990s. North's best drill result at Thursday's Gossan came from VICT1D1 which gave 161 m of 0.26% Cu from 43 m, including 10 m of 0.74% Cu from 43 m from a supergene-enriched zone containing chalcocite.

The tenement was optioned to CRA Exploration between 1995 and 1997. CRAE drilled several deep diamond drill holes into Thursday's Gossan, including DD96WL10, which intersected 186 m from 41 m of 0.15% Cu and DD96WL11, which intersected 261.7 m from 38.3 m of 0.13% Cu. CRAE also systematically tested a number of geophysical targets on the Project before relinquishing the option.

EL 4556 was further explored by Newcrest Operations Limited under option from New Challenger Resources Ltd between 2002 and 2004. Their main focus was Thursday's Gossan in order to assess its potential as a porphyry copper deposit. One of their better intersections came from drill hole VSTD01 on the northern edge of the deposit which gave 32 m at 0.41 g/t Au and 0.73% Cu from 22 m in supergene-enriched material.

The Stavely Project was optioned to Beaconsfield Gold Mines Pty Ltd in 2006 who flew an airborne survey and undertook an extensive drilling program focused on Thursday's Gossan and the Fairview and Balbeggie gold prospects. They also undertook drilling funded under the Rediscover Victoria initiative to assess the nickel sulphide potential of the Williamsons Road Serpentinite.

One of their diamond drill holes at Thursday's Gossan, SNDD001, encountered zones with quartz-sulphide veins assaying 7.7 m of 1.08 g/t Au and 4.14% Cu from 95.3 m and 9.5 m of 0.44 g/t Au and 2.93% Cu from 154.6 m along silicified and sheared contacts between serpentinite and porphyritic intrusive rocks. The contacts of these zones in the drill core are are poorly defined and the true widths of these intersections may be considerably less than reported. These intersections are identified by STM as critical to understanding the nature of the mineralising system present at Thursday Gossan, viz. these quartz-sulphide veins are interpreted to represent 'D-type' veins consistent with the periphery of a deeper mineralised porphyry system.

Part of what is now EL 4556 (previously EL 4932) was optioned to Mineral Sands Ltd to assess a series strand lines for their heavy mineral potential.

Once Beaconsfield Gold Mines Pty Ltd had fulfilled their option requirements, title of EL 4556 passed to their subsidiary company, BCD Metals Pty Ltd, who undertook a gravity survey and extensive drilling at Thursday's Gossan, Fairview and a number of other prospects (Junction 1 and Junction 3, Patanga, Drysdale, Macraes, and Yarram Park). They also commissioned a maiden

Mineral Resource estimate for Thursday's Gossan from Coffey Mining Pty Ltd and undertook preliminary metallurgical testing at Burnie Research Laboratory.

Table 5: Summary of Historical Exploration Activity on EL 4556

Years	EL	Operator	Geophysics	Geochemistry	Drilling
2009-2012	4556	BCD Metals	3 IP lines, 1225 gravity stations	5427 drill samples	334 AC for 6569 m; 33 RC for 1747 m; 5 DDH for 1137.8 m Mineral Resource Estimate & Concept study
2006-2008	4556	Beaconsfield Gold Mines	4335 line km airborne magnetic/radiometric/DEM	2016 drill samples; 424 soil samples; 10 HMC	290 AC for 8424 m; 51 RC for 3588 m; 8 DDH for 1560 m
2002-2004	4556	Newcrest Operations		3098 drill samples; 631 soil samples	90 AC for 3566 m; 12 DDH for 4707 m
1991-1998	3474	North/CRA	2600 line airborne EM; ground EM	436 stream sediment samples	1019 AC; 112 RAB; 14 DDH
1984-1987	1379	CRA Exploration		stream and rock chip sampling	
1975-1982	544, 648, 649	Pennzoil of Australia Ltd	Airborne & ground magnetic, MIP	507 auger soil samples	678 RAB & percussion for 15,206 m; 23 DDH
1969-1971	133	Western Mining Corp		500 stream sediment samples	

Notes: AC – aircore; RAB – rotary air blast; RC – reverse circulation percussion; DDH – diamond core drilling; IP – induced polarisation survey; MIP – magnetic induced polarisation; EM – electromagnetic survey; DEM – digital elevation model

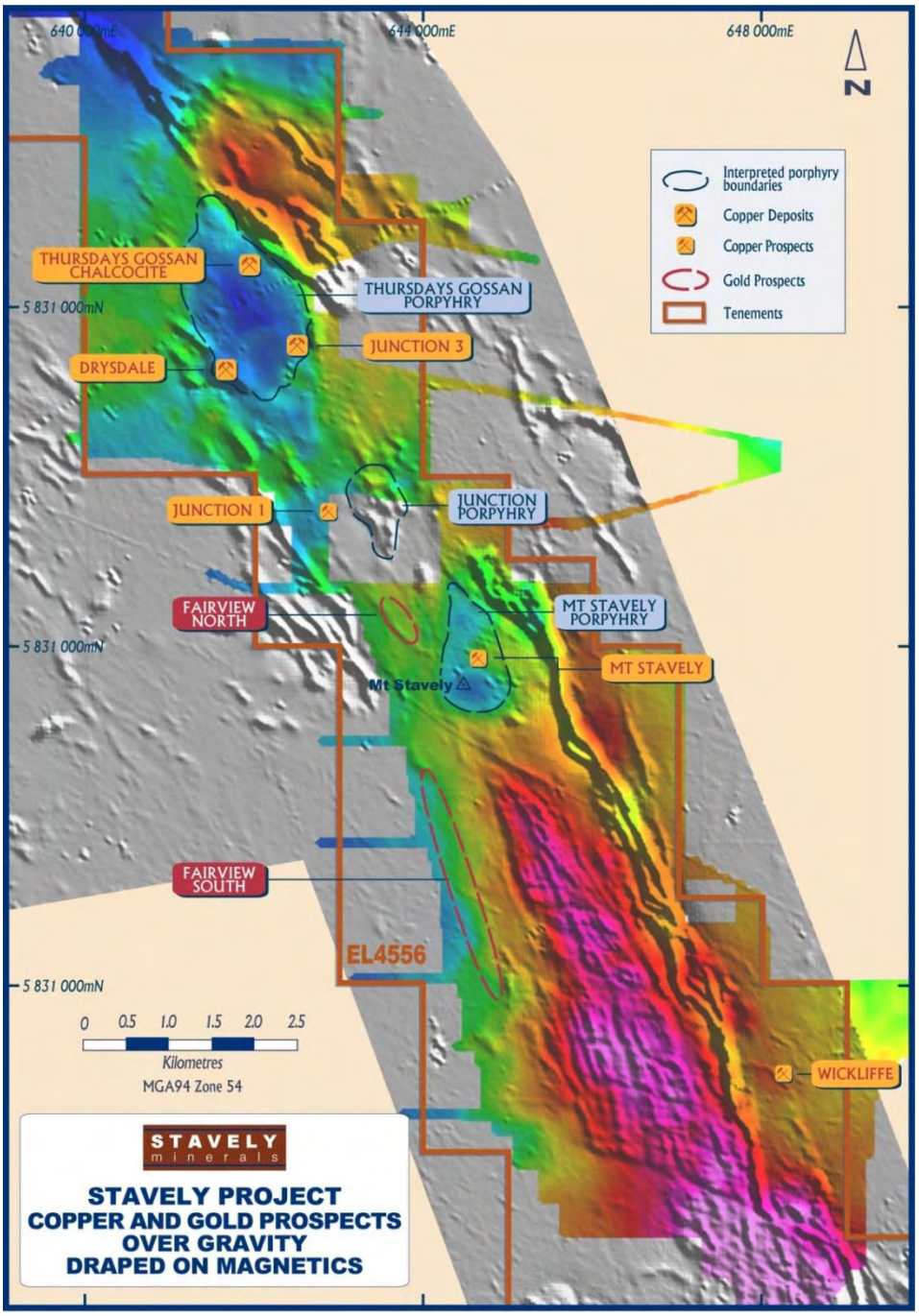

Figure 13: Significant Prospects within the Stavely Project.

5.5 Recent Exploration by Stavely Minerals

Recent exploration by STM has included a review of existing geophysical data for the Project and completing additional surveys, including an induced polarisation survey over Thursday's Gossan,

an electromagnetic survey over the Thursday's Gossan Copper Deposit and the Wickliffe Base Metal Prospect, as well as additional gravity work. The work has been designed to test a conceptual model for Thursday's Gossan Copper Deposit involving the presence of a significant porphyry intrusion at depth beneath some of the higher grade copper intercepts encountered by historical drilling (Figure 14).

The IP data from three lines showed two well defined anomalous and highly chargeable sources (Ebner 2013). The shallower source is interpreted as predominantly disseminated to matrix-style sulphide mineralisation which sits within the major structure interpreted to control the emplacement of the Thursday's Gossan Porphyry. A deeper source with significant potential exists on the eastern margin of the Thursday's Gossan Porphyry below the interpreted structurally controlled sulphides at a depth greater than approximately 200 m based on a 3D inversion of the data. This IP source is highly chargeable, remains open at depth and possibly to the south where insufficient data exists due to the survey being constrained by poor weather and access problems.

Gravity readings were obtained from 1743 stations in June 2013 over Thursday's Gossan, Fairview and regionally across the Stavely Project. These data have been combined with historical gravity data to provide a detailed assessment of rock density variation. The presence of a gravity low in the area of Thursday's Gossan has been confirmed (Figure 13) and a new gravity low feature has been identified at Mount Stavely. This feature is interpreted to be associated with an intrusive body at depth and is referred to as the Mt Stavely porphyry target. It has not yet been tested by drilling.

In addition, two consultant reports have been commissioned: one on Geoscience Victoria's Hylogger data from 12 drill cores from Thursday's Gossan (Halley, 2013) and a review of drill core by Menzies (2013). Halley (2013) used the hyperspectral data obtained from the Hylogger analysis of drill core to indicate the interaction of host rocks at Thursday's Gossan with acidic hydrothermal fluids typical of porphyry copper-gold systems. Menzies (2013) noted the presence of vein styles and alteration also characteristic of porphyry copper-gold systems and re-interpreted the near-surface alteration patterns previously defined by Spencer (1996) as compatible with high levels in such systems (Figure 15).

Recently, Geoscience Australia and the Geological Survey of Victoria (Bastrakov 2014) completed analysis of sulphur isotopes on drill core samples from around the Thursday Gossan area. Sulphur isotopes provide a useful exploration targeting tool for porphyry copper exploration (Holliday and Cooke, 2007), with negative sulphur isotopic compositions being an indicator of proximity to an oxidised fluid source, such as would be associated with a well mineralised porphyry deposit. The results from Stavely were very encouraging. At Thursday's Gossan, $\delta^{34}S$ values from the high-sulfidation/argillic alteration zone (-4‰ to 3‰)[4] and from the zone with porphyry-style veins (-6.4‰ to 0.4‰) are consistent with

[4] Sulphur isotopes are reported as delta values ($\delta^{34}S$) in parts per thousand (denoted as ‰ or per mill), and represent enrichments or depletions relative to a universal standard known as the Vienna Canyon Diablo Troilite.

typical magmatic "porphyry" values, and are different from the signature of Cambrian massive sulfide mineralisation such as at Mount Ararat (4‰ to 6.9‰).

An Inferred Mineral Resource estimate was reported for the Thursday's Gossan Copper Deposit. The estimate is summarised in Table 4 and the methodology described in a previous section.

5.6 Exploration Potential

Interest in the Mount Stavely Volcanic Complex emanates from its possible correlation with the Mount Read Volcanic Belt of western Tasmania, and the recognition of epithermal gold and porphyry style targets.

Porphyry copper-gold deposits are not well developed in the Mount Read Volcanic Belt but the tectonic setting in which the Mount Stavely Volcanic Complex and Mount Stavely Volcanic Complex formed may be favourable for their formation. Symons *et al.* (2009) favoured the Mount Lyell Copper Deposits as possible analogues for the Thursday's Gossan Copper Deposit. In contrast, Corbett (2012) and Menzies (2013) favour a classic porphyry copper style of mineralisation at Thursday's Gossan based on alteration and vein styles that would appear to be incompatible with the style of copper mineralisation at Mount Lyell, although the origin of that deposit is also not without controversy (Hills, 1990).

Spencer (1996) documented zoned hydrothermal alteration compatible with porphyry copper systems using short wave infrared (SWIR) data (Figure 15). Halley (2013) has recommended future exploration targeting at Thursday's Gossan take into account characteristic white mica SWIR patterns indicative of acidic hydrothermal fluids. Lastly new sulphur isotope data are also supportive of porphyry targets at the Stavely Project.

In combination with the IP chargeability results, the alteration mineralogy, the chalcocite blanket, isotope data and geological obervations underpin a robust porphyry copper target warranting drilling testing at the Stavely Project.

The Mount Read Volcanic Belt hosts also several significant VHMS deposits and the presence of VHMS-style mineralisation at Wickliffe suggests that there is potential for such deposits on EL 4556 as well as elsewhere within the Mount Stavely Volcanic Complex. A number of geophysical surveys have been completed over the Wickliffe Base Metal Prospect (see Haydon, 1999 for a summary) and several drill holes intersected anomalous base metals. However, the interpretation of the data is hindered by structural complexities.

Stavely Minerals Limited
Stavely, Ararat and Mortlake Projects

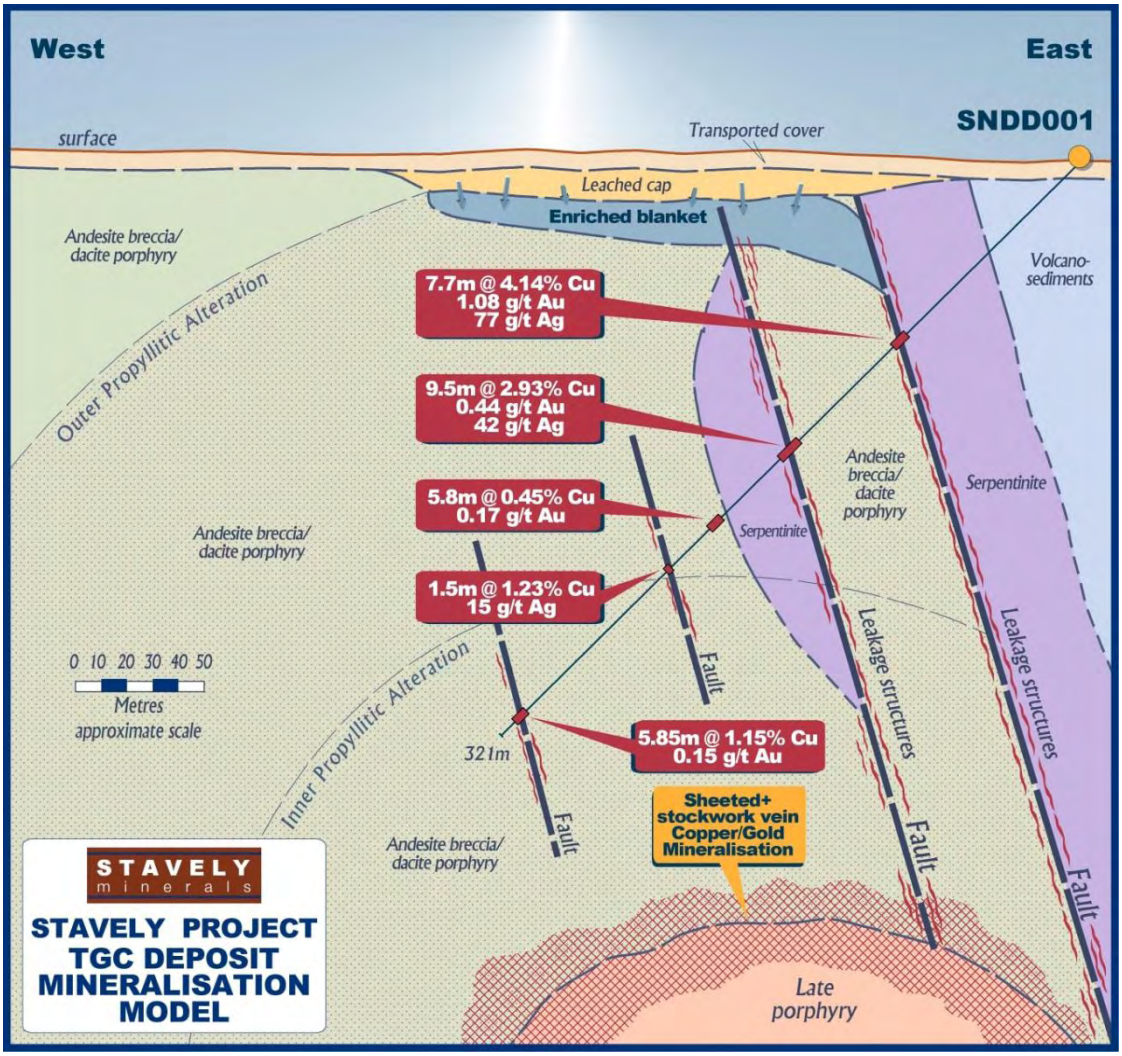

Figure 14: Drill Intersections in Hole SNDD001 from Thursday's Gossan, shown on STM's Interpretation of the Geology.

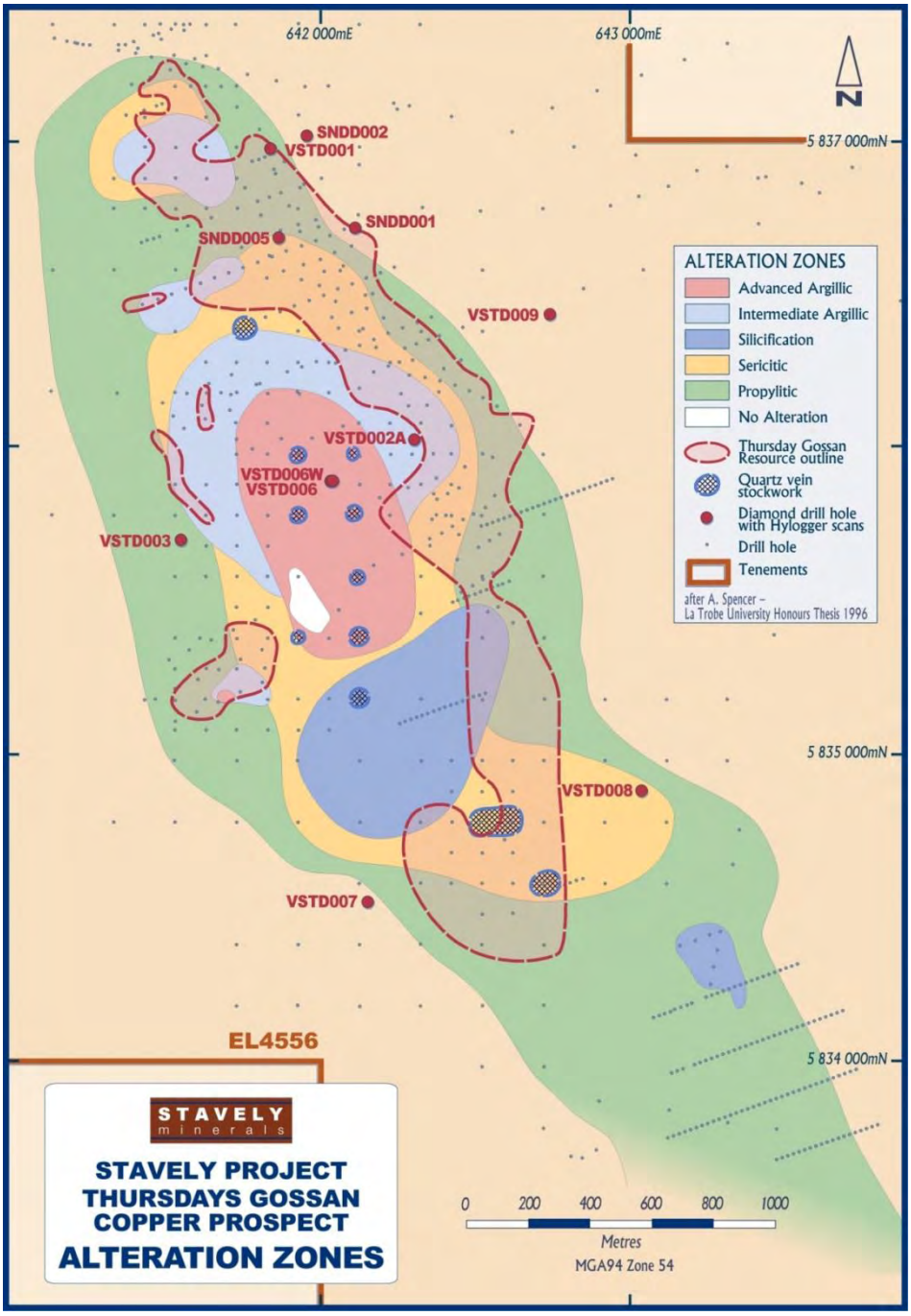

Figure 15: Thursday's Gossan Copper Deposit and Alteration Zones (after Spencer, 1996).

Diamond drilling by North Limited, CRA Exploration, Newcrest and BCD Resources has revealed the presence of low-grade primary copper mineralisation associated with porphyry intrusions at depth in Thursday's Gossan, with occasional intercepts of higher grade copper interpreted to represent 'D-type' veins on the margin of a porphyry system at depth (Menzies, 2013; Halley, 2013). A highly chargeable source at a depth greater than approximately 200 m (Ebner, 2013) provides encouraging support for the presence of copper-gold mineralisation below the depth of some of the high-grade copper drill intercepts noted previously and is compatible with the interpretation of alteration patterns by Menzies (2013) and Halley (2013). Within this model, low-grade copper mineralisation at Junction 3 and Drysdale would represent the outer flanks of a larger mineralised system. A detailed conceptual cross section for Thursday's Gossan is provided in Figure 16. Deeper drilling than has historically been undertaken will be required to test for the presence of significant porphyry-style copper-gold mineralisation at depth associated with potassic alteration and/or faults. In addition to the potential for significant primary copper-gold mineralisation at depth, elevated copper grades also occur at shallow depths in a zone of supergene enrichment, an important economic aspect of porphyry copper deposits in general (Sillitoe, 2005).

In summary the features of the Thursday's Gossan Copper Deposit listed by STM as supporting a conclusion that a hidden mineralised porphyry copper deposit is likely possible include:

- Interpreted structurally controlled 'D' vein 'leakage' drill intercepts including:
- 7.7 m at 4.1% Cu and 1.1 g/t Au from 94.7 m drill depth;
- 9.5 m at 2.9% Cu and 0.4 g/t gold from 154.6 m drill depth; and
- Interpreted 'peripheral' – probably supergene – low-grade disseminated copper mineralisation of 235 m at 0.21% Cu in propyllitic alteration from 27 m drill depth, interpreted as a large "leakage" anomaly;
- Historical PIMA hyperspectral data indicating the largely preserved high-level region of an buried porphyry copper-gold system;
- Recent HyLogger hyperspectral data confirming white mica alteration assemblages consistent with a high-level of exposure in a well-developed porphyry copper-gold system; and
- Sulphur isotope data suggest proximity to a magmatic porphyry source for mineralising fluids in the Thursday's Gossan area.

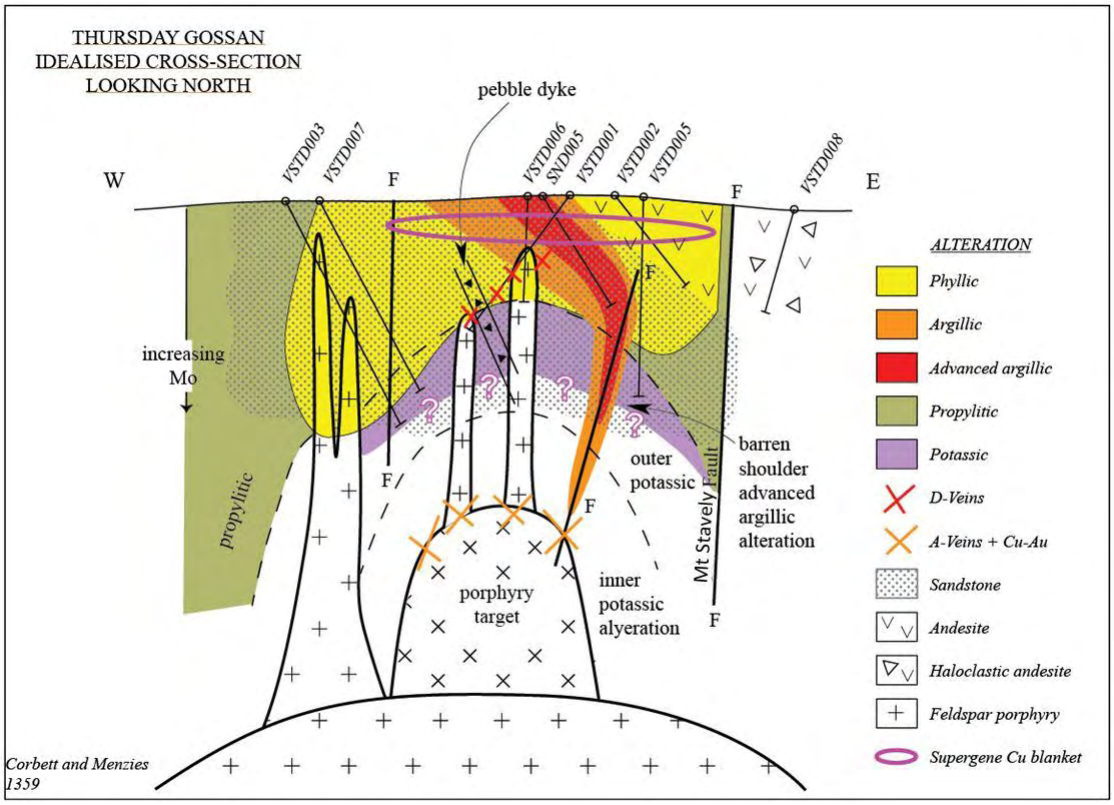

Figure 16: Conceptual Model for Porphyry Copper Mineralisation beneath Thursday's Gossan Copper Deposit (from Menzies, 2013); note the right hand fault labelled as Mt Stavely Fault is Mt Stavely Fault East.

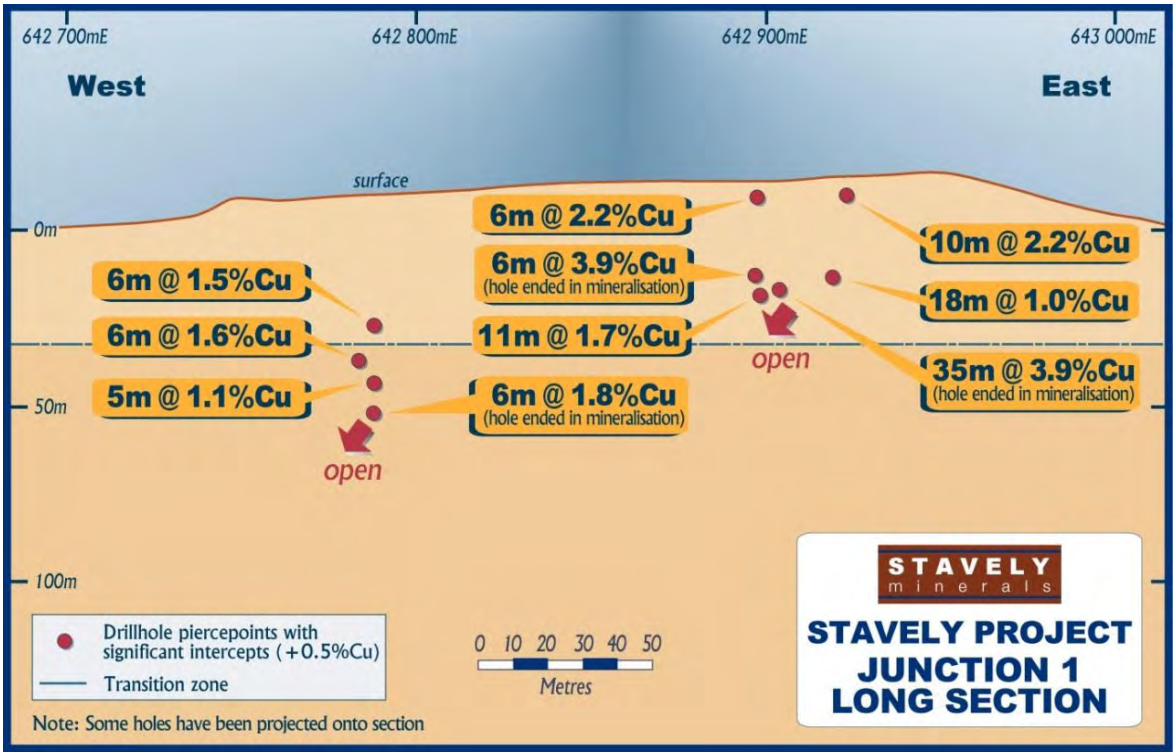

Figure 17: Long Section through Junction 1 showing Copper Intersections > 0.5% Cu.

The Fairview gold anomalies are associated with sericite, albite and K-spar (adularia) alteration and quartz sulphide veins with chalcopyrite, sphalerite, galena and gold. The sphalerite is of a pale yellow colour and, in conjunction with the adularia, suggests a low-temperature, low-sulphidation epithermal affinity (Corbett and Leach, 1998). An epithermal model for this prospect introduces the potential for narrow, high-angle, high-grade gold mineralisation that may have been missed by prior exploration programs that were focused on large-scale porphyry gold mineralisation. Unfortunately, the assays conducted by Beaconsfield Gold Mines Pty Ltd and BCD Metals Pty Ltd did not include silver, so the presence of this important indicator element for an epithermal genesis cannot be confirmed, although petrographic evidence suggests that significant silver may be present with the gold and adularia has been identified (Mason, 2006).

Low-grade copper mineralisation identified at Junction 1 and Patanga has generally only been investigated by shallow drilling and is poorly understood. Junction 1 is located directly to the west of an inferred magnetic intrusive body that differs from the intrusive bodies inferred at Thursday's Gossan and Mt. Stavely. They have not previously been tested by deep drilling. Some of the more significant intersections at Junction 1 are illustrated in Figure 17. Note that only significant intersections are shown and these should not be considered typical of all drilling on the prospect.

A recent gravity survey completed by STM has confirmed that Thursday's Gossan is associated with a gravity low. A similar but less prominent feature occurs to the east of the Fairview gold

prospect (Mount Stavely porphyry prospect) and may be indicative of a second porphyry body at depth. This target is purely conceptual at this stage and has not been tested by drilling.

Although there has been exploration for nickel sulphide deposits and mineral sands previously on the Stavely Project, the exploration potential for these deposit types is considered to be low.

Impediments to exploration include the presence of transported cover to the north of Thursday's Gossan, saline groundwaters associated with deeply weathered regolith profiles affecting the interpretation of geophysical data, structural complexities in the interpretation of alteration patterns and shallow zones of copper depletion. The latter means that historically shallow air core holes may not have penetrated deep enough to detect supergene copper enrichment.

5.7 Exploration Programme and Budgets

STM propose testing the porphyry model at Thursday's Gossan by a substantial deep drilling programme with the objective of testing several structural, geologic and geophysical targets to identify economic copper and gold grades. If not successful in the first pass of deep drilling, the geology, structure, geochemistry and alteration mineralogy of these drill holes will be assessed to provide further vectors to economic mineralisation and target a second phase of drill testing.

However, prior to the commencement of drilling, the IP survey initiated in 2013 will be completed. The survey was abandoned due to heavy rains and needs to be extended to the south to trace the deeper IP anomaly identified by the initial three lines. The geophysical data will be used to define drill targets at depth.

An initial phase of deep drill holes have been planned to test the Thursday's Gossan area (including Junction). Drill testing of the newly identified porphyry under Mount Stavely may be included in a second phase of drilling after geochemical sampling programmes are completed. Planned first-pass deep drilling includes six drill holes, as follows:

- Four 700 m deep drill holes targeting below IP chargeability anomalies and geological targets at Thursday's Gossan; and,
- Two 500 m deep drill holes at the Junction porphyry target;

for approximately 3,800 m of diamond drilling; with the option of extending holes in-progress beyond the planned depth if the hole is in well-developed mineralisation/alteration.

Drilling is planned with 100 m pre-collars either by reverse circulation percussion (RC) or mud rotary and then coring with HQ size triple tube. The Company plans to use a UDR1200 or similar high capacity drill rig to minimise any mechanical problems with the drilling programme.

It is the authors' opinion that the planned exploration programme is justified and that the proposed budget is adequate to achieve the stated aims. The proposed programme is adequate to meet the expenditure requirements of the existing granted tenements.

Table 6: Two-year Exploration Budget Breakdown for Stavely Project

Activity	Year 1		Year 2	
	Min	Max	Min	Max
Staffing/Consultants/Contractors	$60,000	$160,000	$40,000	$100,000
Field Support & Logistics	$55,000	$120,000	$30,000	$60,000
Landowner liaison	$5,000	$6,000	$5,000	$5,000
Geophysics	$0	$0	$0	$0
Geochemistry	$20,000	$0	$0	$0
Drilling	$0	$0	$0	$0
Aircore/RAB	$0	$0	$0	$0
RC percussion	$0	$0	$0	$0
Diamond Core	$380,000	$700,000	$180,000	$670,000
Assays and other analytical work	$40,000	$70,000	$20,000	$65,000
Technical studies	$15,000	$25,000	$20,000	$30,000
Administration & overheads	$25,000	$45,000	$10,000	$40,000
TOTALS	**$600,000**	**$1,126,000**	**$305,000**	**$970,000**

6 Mortlake Project

6.1 Location, Access and Infrastructure

The Mortlake Project is located approximately 200 km west of Melbourne in western Victoria (Figure 1). The project area includes the towns of Mortlake and Terang, and is cut by the Hamilton Highway in the north and the Princess Highway in the south. The Terang-Mortlake Road passes diagonally through the centre of the project area. Access through the project area is via a series of secondary roads and farm access tracks, and is considered to be excellent.

6.2 Tenements

The Mortlake project is comprised of a single tenement, EL 5470. This exploration license was granted on 17th June 2013 to Northern Platinum Pty Ltd and is valid until 16th June 2018. It covers an area of 475.8 km^2.

6.3 Project Geology and Mineralisation

The project area is covered predominantly by late Cainozoic basalt of the Western District Province as well as younger Quaternary sediments (Figure 18). However, the Moyston Fault dividing the Delamerian and Lachlan Orogens is inferred to pass through the Mortlake Project. Its position is approximated by the Mortlake Discontinuity where a distinct change in the $^{87}Sr/^{86}Sr$ ratios in the Cainozoic basalts is believed to indicate a change in the underlying Palaeozoic basement rocks (Price *et al*., 2003). The tenement is therefore potentially underlain by both the Mount Stavely Volcanic Complex and Moornambool Metamorphic Complex.

There are no known mineral occurrences on the Project.

6.4 Past Exploration

Only the northern portion of EL 5470 has been subject to mineral exploration previously (where it overlapped with the southern portion of EL4911 held by Leviathan Resources Ltd between 2005 and 2009). A detailed gravity survey was carried out between 2005 and 2006 and revealed a north-south trending gravity feature coincident with a magnetic high running through the exploration license.

EL 4911 was optioned to Navarre Discovery No 1 Pty Ltd in 2008 with a plan to test whether the coincident positive gravity and magnetic feature identified previously might represent a Cambrian basalt dome underlying the Cainozoic basalts. A single diamond drill hole, MLD001, drilled in 2009/2010 to a depth of 168.8 m encountered only poorly consolidated Cainozoic and Cretaceous Otway Group sediments after passing through basalt, leading to the conclusion that

the geophysical anomaly was due to thickening of Cainozoic basalt in a palaeo-valley. EL 4911 was relinquished shortly after completion of this drill hole.

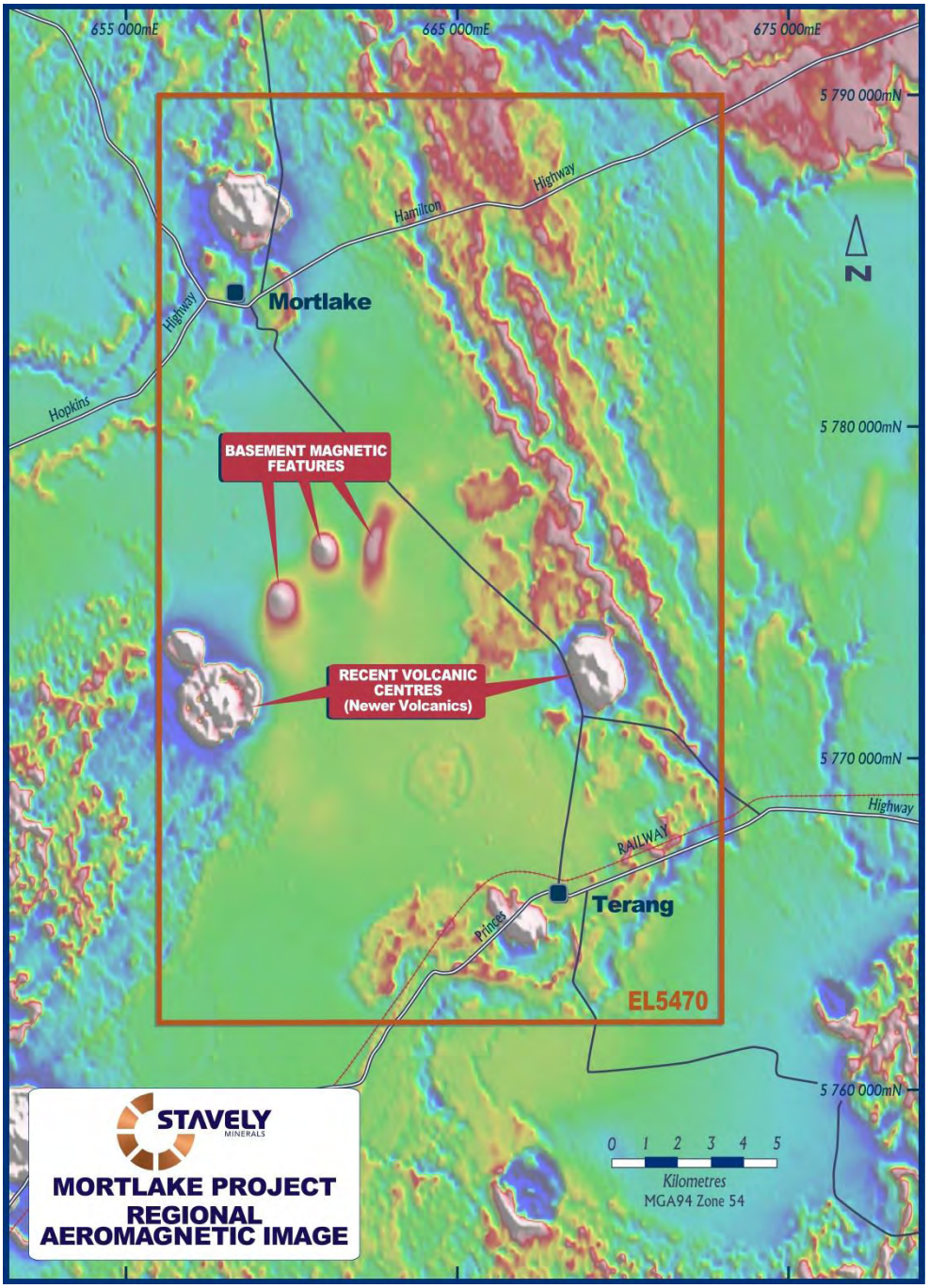

Figure 18: Geology of the Mortlake Project.

A portion of EL 5470 was included in historical EL 5089 which was explored for mineral sands by Corvette Resources Limited. The license was surrendered in 2009 after drilling 29 aircore holes for a total depth of 712.5 m with no reason given.

6.5 Recent Exploration by Stavely Minerals

Neither STM nor its predecessor, Northern Platinum Pty Ltd, has conducted any on-ground exploration on the Mortlake Project.

Preliminary geophysical interpretation and broad target selection work has commenced.

6.6 Exploration Potential

The prospectivity of the Mortlake Project is based on the interpretation that the Mortlake Discontinuity represents the boundary between the Delamerian and Lachlan Orogens.

The area directly to the east of this discontinuity should then be underlain by the Moornambool Metamorphic Complex and thus prospective for both orogenic gold deposits similar to those found at Stawell, or VHMS base metal deposits similar to those found at Mount Ararat.

There is also the possibility that volcanic rocks of the Mount Stavely Volcanic Complex may occur to the west of the Mortlake Discontinuity, which would then also make the Project prospective for porphyry copper-gold, epithermal gold-silver and VHMS base metal mineralisation. The Mount Stavely Volcanic Complex does swing into a more north-south trend to the south of the Stavely Project (Gray *et al.*, 2003), giving credence to this interpretation.

Regional exploration between Ararat and Mortlake by Stawell Gold Mines has previously tested for the presence of anomalous gold in samples of groundwater recovered from private water bores (compiled in Arne and Giblin, 2009). Sampling did not extend as far south as Mortlake and it is not clear whether water bores on the project will have extended into the Palaeozoic basement.

The exploration potential of the Mortlake Project is currently considered to be low and will be hindered by the need to utilize exploration techniques that may provide insight into potential mineralisation beneath the Cainozoic and Cretaceous cover.

6.7 Exploration Programme and Budgets

The Mortlake Project is a conceptual, grassroots, exploration play in an area with very limited data available. STM has provided CSA with a clear exploration strategy to further test the mineral potential of the Mortlake Project.

STM are proposing to explore the Mortlake Project by a staged process of identifying and testing targets.

Initially exploration will comprise desktop work, predominantly re-processing and interpreting the aeromagnetic data (together with any other regional data sets such as gravity) to identify geophysical anomalies similar in character to those seen at Mount Ararat, the Stavely porphyries and the basalt dome at Stawell, as well as the structural setting of those prospects.

STM plan to acquire additional magnetic data over these targets together with surface geochemical sampling. An assessment of applicability of hydrogeochemistry using water bores may also be undertaken.

The high priority targets from this work will then have electrical geophysical surveys (either EM or IP) completed followed by drill testing of the best targets.

A two year programme budget of $0.2–0.5 million has been outlined and is summarised in Table 7 below. The budget provides for geophysical targeting and geochemical sampling in Year 1 to define targets, followed by infill/additional sampling, and target testing RC percussion drilling in Year 2.

Table 7: Two-year Exploration Budget Breakdown for Mortlake Project

Activity	Year 1		Year 2	
	Min	Max	Min	Max
Staffing/Consultants/Contractors	$8,000	$30,000	$9,000	$30,000
Field Support & Logistics	$12,000	$35,000	$15,000	$35,000
Landowner liaison	$5,000	$7,000	$5,000	$10,000
Geophysics	$40,000	$85,000	$20,000	$45,000
Geochemistry	$10,000	$20,000	$5,000	$10,000
Drilling	$0	$0	$0	$0
Aircore/RAB	$0	$0	$0	$0
RC percussion	$0	$0	$40,000	$100,000
Diamond Core	$0	$0	$0	$0
Assays and other analytical work	$8,000	$10,000	$8,000	$10,000
Technical studies		$10,000		$10,000
Administration & overheads	$4,000	$10,000	$8,000	$15,000
TOTALS	**$87,000**	**$207,000**	**$110,000**	**$265,000**

The proposed budget is considered consistent with the exploration potential of the Mortlake Project and is considered adequate to cover the costs of the proposed programme. The budgeted expenditure is also considered sufficient to meet the minimum statutory expenditure on the Mortlake Project tenements.

7 Potential Liabilities and Risks

As far as the authors are aware, STM holds 100% of all granted title to the Properties, with the exception of those exploration licenses that are in the application stage.

There is a possibility that contested ground might not be awarded to STM. Contested ground represents 87 km^2 of the total 770 km^2 land package that comprises the properties covered by this report. New Challenge Resources Pty Ltd retains a net smelter return royalty of 3% in EL 4556, although there is an option to reduce this to 1% upon payment.

A potential risk to the eventual development of the Thursday's Gossan Copper Deposit lies in the rail line that transects the southern portion of the deposit. The 2013 Mineral Resource estimate also included material from satellite occurrences, including Junction and Drysdale, increasing development and mining costs.

A significant amount of data used for these estimations is historical in nature and could not be independently verified during the mineral resource estimation by Hackman (Hackman 2013a, b). It is Hackman's opinion that uncertainties about the quality of the historical data restrict its use at this stage to an Inferred Mineral Resource. However, re-sampling of retained drill core and cutting, as well as validation of past work by drilling twin holes could overcome uncertainties associated with the historical data.

Only preliminary metallurgical testing has been undertaken and recoveries of copper and gold from transitional material that may have been incorporated into the Inferred Mineral Resource estimate must be determined. Copper recoveries from oxide material at the Mount Ararat deposit are poor and it appears that a significant proportion of the copper may be associated with goethite and clay minerals. The compatibility of supergene material from Thursday's Gossan (predominantly chalcocite with primary sulphide minerals) with that from Mount Ararat (predominantly malachite with goethite and clay) for mineral processing is unknown to the authors and would have to be the subject of further investigation. The use of flotation on mixed copper oxide and supergene material where the supergene profile is poorly developed can result in poor recoveries (Sillitoe, 2005). However, recoveries from sulphide material at Mount Ararat are good and may be compatible with treatment of supergene-enriched sulphide material from Thursday's Gossan.

As previously discussed, some of the Projects are either partially or completely covered by transported sediments, including the accumulation of poor-quality lignite coal in some areas, or Cainozoic basalt of the Western District Province. Partial (Stavely and Ararat projects) to total cover (Mortlake project), coupled with saline groundwaters and copper leaching in the upper portions of deeply weathered regolith profiles, create difficulties for mineral exploration in areas away from known mineralisation. However, the presence of covered Mount Stavely Volcanic Complex and Moornambool Metamorphic Complex that may not have been effectively explored in the past presents opportunities for new discoveries using modern exploration technologies applied with recent insights into exploration in deeply weathered and covered terrains.

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Glossary

For definitions of technical terms the reader is directed to online resources such as Wikipedia (www.wikipedia.org).

Appendix 1: Tenements

Project	Prospect	TenID	Status	Granted	Expiry	Renewal	Area (Grats)	Area (km^2)	Commitment
STAVELY	Stavely	EL 4556	Granted	05/04/2001	05/04/2014	05/04/2014	139	138.90	$154,000
	Stavely	EL 5471	Granted	17/06/2013	16/06/2016	16/06/2016	15	13.42	$17,250
								152.32	**$171,250**

Project	Prospect	TenID	Status	Granted	Expiry	Renewal	Area (Grats)	Area (km^2)	Commitment
ARARAT	Ararat	EL 3019	Granted	21/12/1989	21/12/2014	21/12/2014	42	35.14	$57,000
	Ararat	EL 5477	Application				87	86.25	$0
	Ararat	EL 5486	Application				2	0.27	$0
	Ararat	EL 5487	Application				5	0.60	$0
	Ararat	EL 4758	Granted	29/01/2004	28/01/2014	28/01/2014	12	9.88	$21,000
								132.14	**$78,000**

Project	Prospect	TenID	Status	Granted	Expiry	Renewal	Area (Grats)	Area (km^2)	Commitment
MORTLAKE	Stavely South	EL 5470	Granted	17/06/2013	16/06/2018	16/06/2018	475	475.80	$86,250
								475.80	**$86,250**

Note **Differences between 'Grat area' and area in km^2:** Exploration Licences are administered using whole graticular blocks; however the licences only provide title to those areas where applicable, e.g. reserves where they impinge on ELs are deducted from the EL area; also for areas smaller than a whole grat, (e.g. EL(A) 5487) the number of whole grats to cover the licence are counted but the actual area of the licence is the area shown outlined on the tenement map.

Appendix 2: Reporting of Thursday Gossan Chalcocite Copper Resource against criteria in Table 1 JORC Code 2012.

The Thursday Gossan Chalcocite Copper August 2013 Inferred Resource Estimate is an inverse distance squared Cu estimate of the tabular sub-horizontal supergene style mineralisation of the deposit and is tabulated below. The estimate was undertaken, classified and reported according to the guidelines set out in *The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserve (the JORC Code, 2012 Edition)*.

The Thursday Gossan Chalcocite Copper Inferred Resource Estimate:

Thursday Gossan Chalcocite Copper August 2013 Inferred Resources *(JORC 2012 Edition)*					
Copper Mineralisation Subdivision		**Lower Cu Cut (%)**	**Tonnes (MT)**	**Copper Grade (%)**	**Contained Copper (KT)**
Mineralisation greater than 10m thick	**10 to 20m thick**	0.20	8.5	0.3	28.1
		0.30	4.5	0.4	18.4
		0.50	0.5	0.7	3.4
	Greater than 20m thick	0.20	14.4	0.4	61.7
		0.30	9.7	0.5	49.7
		0.50	3.1	0.8	24.8
	Sub Total (greater than 10m thick)	***0.20***	***22.9***	***0.4***	***89.8***
		0.30	***14.2***	***0.5***	***68.0***
		0.50	***3.7***	***0.8***	***28.2***
Mineralisation less than 10m thick		0.20	5.1	0.3	17.1
		0.30	2.5	0.4	10.6
		0.50	0.2	0.9	2.1
Total Mineralisation		**0.20**	**28.1**	**0.4**	**106.9**
		0.30	**16.7**	**0.5**	**78.6**
		0.50	**3.9**	**0.8**	**30.3**

Table shows rounded estimates. This rounding may cause apparent computational discrepancies. Significant figures do not imply precision. Nominal copper grade reporting cuts applied. Three mineralised thicknesses reported as varied economic factors are likely to be applicable to each.

The estimate:

- Is based on historic drilling data of unknown reliability and quality however there are no obvious reasons to question that the holes were drilled to test a flat lying supergene copper deposit.
- Extends intermittently for a strike length of 4000m (NS) a breadth of 1500m and vertically up to 60m thick. The model includes prospects known as Thursday Gossan Chalcocite Copper, Junction and Drysdale.

- Is underpinned by 2355 Cu assays from 225 holes (1493 nominal 3m composites). Cu grades were interpolated without any cuts or restrictions. A tonnage factor of 2.10g/cc was applied to all mineralised blocks.
- Reconciles well both statistically and spatially with the source assay data.
- Was undertaken by Duncan Hackman who is a member of the Australian Institute of Geoscientists and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity 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 (The JORC Code, 2012 Edition).

Sampling Techniques and Data

<table>
<tr><th>Criteria</th><th>Explanation</th></tr>
<tr><td>Sampling techniques</td><td>· Resource estimate underpinned by diamond drilling(DD), aircore drilling (AC), reverse air blast drilling (RAB) and reverse circulation drilling (RC) samples:
○ Pennzoil (1 RC, 14 RAB holes): 2m Samples selected where mineralisation observed. 13 RAB holes sampled every alternate 2m intervals. No details on sampling methods.
○ North (4 DD, 1 AC, 85 RAB) and Newcrest (3 DD): Diamond holes ½ core sampled. No details on sampling of RC, RAB and Aircore holes.
○ Beaconsfield Gold (2 DD, 78 AC): Diamond holes ½ core sampled. Aircore holes were sampled by spearing of material on 2m or 3m intervals where no mineralisation was observed and on 1m intervals where mineralisation was observed.
○ TGM Group (26 AC): No details.</td></tr>
<tr><td>Drilling techniques</td><td>· Drilling details for the TGC resource drillhole dataset
<table>
<tr><th>Drill Type</th><th>Company</th><th>Count</th><th>Av. DFrom to Min. Top (m)</th><th>Av. Dto to Min. Base (m)</th><th>Av. Min. Int Length (m)</th><th>Av. Cu (ppm)</th></tr>
<tr><td rowspan="3">AC</td><td>BCD</td><td>78</td><td>32</td><td>56</td><td>24</td><td>4080</td></tr>
<tr><td>North</td><td>1</td><td>20</td><td>62</td><td>42</td><td>3090</td></tr>
<tr><td>TGM Group</td><td>26</td><td>33</td><td>55</td><td>22</td><td>3496</td></tr>
<tr><td>AC Total</td><td></td><td>105</td><td>32</td><td>56</td><td>24</td><td>3926</td></tr>
<tr><td rowspan="5">DD</td><td>BCD</td><td>2</td><td>86</td><td>93</td><td>7</td><td>23586</td></tr>
<tr><td>CRAE</td><td>2</td><td>41</td><td>54</td><td>13</td><td>3237</td></tr>
<tr><td>Newcrest</td><td>3</td><td>56</td><td>85</td><td>29</td><td>3927</td></tr>
<tr><td>North</td><td>4</td><td>37</td><td>63</td><td>26</td><td>3541</td></tr>
<tr><td>Pennzoil</td><td>1</td><td>20</td><td>28</td><td>8</td><td>5250</td></tr>
<tr><td>DD Total</td><td></td><td>12</td><td>49</td><td>69</td><td>20</td><td>7070</td></tr>
<tr><td rowspan="2">RAB</td><td>North</td><td>85</td><td>31</td><td>46</td><td>15</td><td>2948</td></tr>
<tr><td>Pennzoil</td><td>14</td><td>22</td><td>35</td><td>13</td><td>2587</td></tr>
<tr><td>RAB Total</td><td></td><td>99</td><td>30</td><td>45</td><td>15</td><td>2897</td></tr>
<tr><td rowspan="2">RC</td><td>BCD</td><td>8</td><td>27</td><td>45</td><td>17</td><td>4498</td></tr>
<tr><td>Pennzoil</td><td>1</td><td>2</td><td>34</td><td>32</td><td>11944</td></tr>
<tr><td>RC Total</td><td></td><td>9</td><td>24</td><td>43</td><td>19</td><td>5326</td></tr>
<tr><td colspan="2">Total All Drilling</td><td>225</td><td>32</td><td>51</td><td>20</td><td>3697</td></tr>
</table></td></tr>
<tr><td>Drill sample recovery</td><td>· Recovery data available for 2 DD holes.</td></tr>
</table>

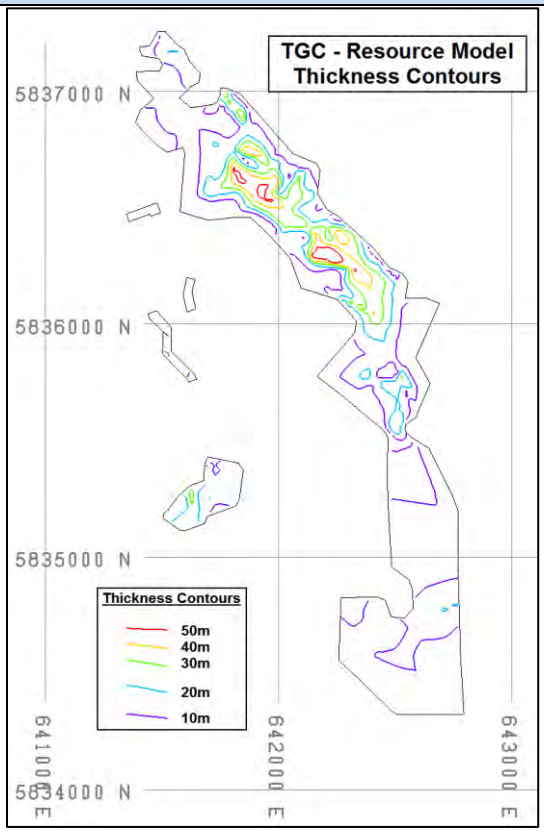
Criteria	Explanation
Logging	· Lithology logs through mineralisation available for all holes. · Incomplete oxidation-state and interval colour logging (utilised to determine base of supergene zone).
Sub-sampling techniques and sample preparation	· Pennzoil (1 RC, 14 RAB holes): No details on sampling and sample preparation methodology. · North (4 DD, 1 AC, 85 RAB) and Newcrest (3 DD): No details sample preparation methodology. · Beaconsfield Gold (2 DD, 78 AC): No information on sample preparation methodology. · TGM Group (26 AC): No details
Quality of assay data and laboratory tests	· Pennzoil (1 RC, 14 RAB holes): A base metal suite was assayed via AAS (digestion not specified) and Au was assayed via fire assay. · North (4 DD, 1 AC, 85 RAB) and Newcrest (3 DD): A base metal suite was assayed via Mixed Acid digest, AAS detection and Au was assayed via fire assay. · Beaconsfield Gold (2 DD, 78 AC): OnSite Laboratory Services (Bendigo) analysed all samples for Cu by aqua regia digest ICP-OES detection and repeated assays for samples returning greater than 5000ppm Cu by Mixed Acid Digest ICP-OES detection. Au was assayed via fire assay. · TGM Group (26 AC): No details. "Cherry-picking" of best assays from reassayed samples (85 of 160 substituted) has introduced a +10% relative bias for 9 holes used in the resource estimate. · No QC samples were inserted into any of the sample batches from the Thursday Gossan drilling. No laboratory QC data was made available for assessment as part of this resource estimate. · Beaconsfield Gold undertook a limited (selective) umpire laboratory programme (29 samples), entire residual material assaying (94 intervals) and 66 sub-sample assays of residual material (66 intervals). These projects provide limited insight into sampling and assay reliability. This data indicates that: o Both significant bias and precision issues are suspected in the Beaconsfield Gold dataset (OnSite Laboratory) and that there appears to be a period of instrument malfunction or systems/procedural breakdown at grades greater than 3000ppm Cu at the laboratory. o The spear vs total sample dataset shows a significant relative bias in favour of the spear sample, manifesting greatest within samples containing higher copper grades.
Verification of sampling and assaying	· Beaconsfield Gold undertook a limited (selective) umpire laboratory programme (29 samples), entire residual material assaying (94 intervals) and 66 sub-sample assays of residual material (66 intervals). These projects provide limited insight into sampling and assay reliability.
Location of data	· Holes within the Thursday Gossan area are recorded as being surveyed under three systems: AMG66 zone 54S, MGA zone 54 and GDA94 zone 54S. All coordinates were converted to GDA94 zone 54S by previous workers. These conversions have not been checked by NPT or HA. The

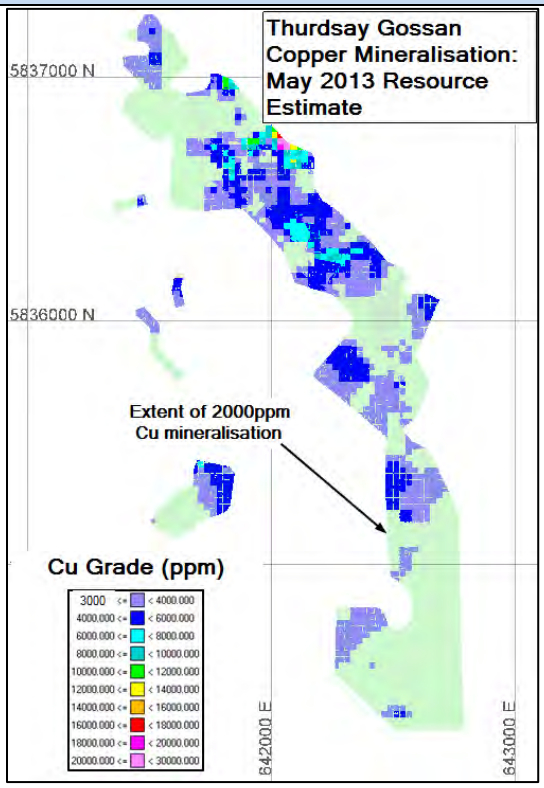
Criteria	Explanation
	August 2013 estimate is undertaken using the supplied GDA94 54S grid references. · Beaconsfield Gold holes were located by hand held GPS. No information on survey methods for other workers.
Data spacing and distribution	· Area showing the thickest and highest tenor of mineralisation tested at nominal 50m centres by predominantly vertical holes. · Areas less well mineralised tested mostly at 100m centres by vertical drillholes
Orientation of data in relation to geological structure	· Drill orientation appropriate for testing of flat-lying mineralisation · Underlying geology indicates that primary mineralisation may be sub vertical. Supergene mineralisation is controlled by pre-existing geology, groundwater movement and surface/weathering events. It is unknown from the current dataset if there is any sub-vertical fabric within the supergene mineralisation and if so then vertical holes will not adequately sample this feature of the mineralisation.
Sample security	· No available data to assess security
Audits or reviews	· Basic checking of data integrity

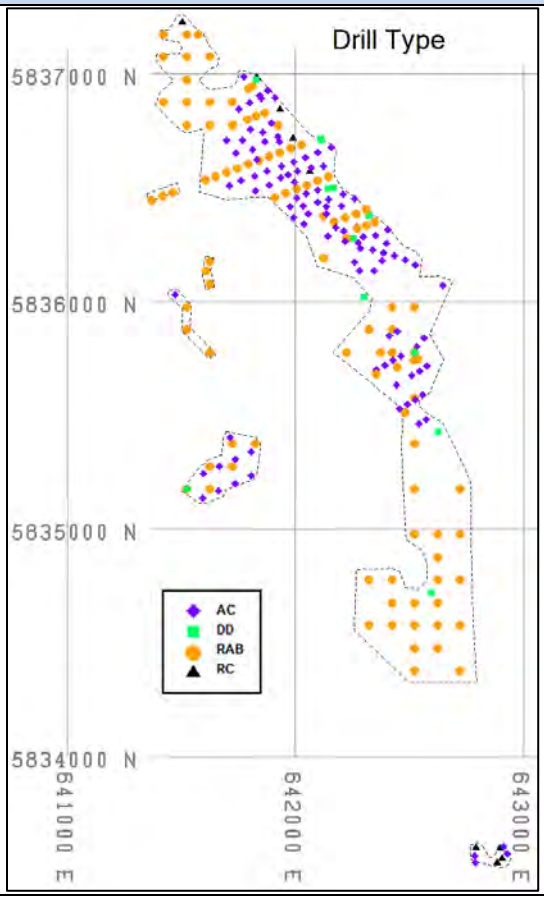
Reporting of Exploration Results

Criteria	Explanation
Mineral tenement and land tenure status	· The mineralisation is situated within exploration licence EL4556 (expires 05/04/2014) which is currently held by Northern Platinum Pty Ltd. Northern Platinum advises that the tenement is considered in good standing by the Victorian Department of Environment and Primary Industries and that they cannot foresee any reasons that would inhibit the tenement being renewed for a further term in 2014.
Exploration done by other parties	· Pennzoil: 1 RC, 14 RAB holes · North: 4 DD, 1 AC, 85 RAB holes · TGM Group: 26 AC holes · Beaconsfield Gold: 2 DD, 78 AC holes · Beaconsfield Gold: Resource Estimate undertaken by Coffey Mining Pty Ltd (2008)
Geology	· Supergene enrichment of hydrothermally altered host rocks, where fine grained chalcocite and covellite have partially replaced pyrite and chalcopyrite grains.
Drill hole Information	· 225 holes drilled in the prospect. · Collar locations not verified however plot within acceptable levels from SRTM derived topographic surface. · Downhole surveys for describing hole trace and sample locations available for 4 of 40 angled holes. 185 vertical holes drilled. · Pennzoil assayed intervals logged with visible sulphide mineralisation. · Sampling interval breakdown:

<table>
<tr><th>Criteria</th><th>Explanation</th></tr>
<tr><td></td><td>
<table>
<tr><th rowspan="2">Drill Type</th><th rowspan="2">Company</th><th colspan="5">Count of Sample Lengths</th></tr>
<tr><th>0 to 1m</th><th>1 to 2m</th><th>2 to 3m</th><th>3 to 5m</th><th>Total</th></tr>
<tr><td rowspan="3">AC</td><td>BCD</td><td>833</td><td>258</td><td>177</td><td>1</td><td>1269</td></tr>
<tr><td>North</td><td></td><td>21</td><td></td><td></td><td>21</td></tr>
<tr><td>TGM Group</td><td></td><td></td><td>187</td><td></td><td>187</td></tr>
<tr><td>AC Total</td><td></td><td>833</td><td>279</td><td>364</td><td>1</td><td>1477</td></tr>
<tr><td rowspan="5">DD</td><td>BCD</td><td>3</td><td>4</td><td>1</td><td>1</td><td>9</td></tr>
<tr><td>CRAE</td><td>1</td><td>10</td><td>2</td><td></td><td>13</td></tr>
<tr><td>Newcrest</td><td>38</td><td>25</td><td></td><td></td><td>63</td></tr>
<tr><td>North</td><td>96</td><td>4</td><td></td><td></td><td>100</td></tr>
<tr><td>Pennzoil</td><td>8</td><td></td><td></td><td></td><td>8</td></tr>
<tr><td>DD Total</td><td></td><td>146</td><td>43</td><td>3</td><td>1</td><td>193</td></tr>
<tr><td rowspan="2">RAB</td><td>North</td><td></td><td>1</td><td>436</td><td>2</td><td>439</td></tr>
<tr><td>Pennzoil</td><td>1</td><td>92</td><td></td><td></td><td>93</td></tr>
<tr><td>RAB Total</td><td></td><td>1</td><td>93</td><td>436</td><td>2</td><td>532</td></tr>
<tr><td rowspan="2">RC</td><td>BCD</td><td>136</td><td></td><td>1</td><td></td><td>137</td></tr>
<tr><td>Pennzoil</td><td></td><td>16</td><td></td><td></td><td>16</td></tr>
<tr><td>RC Total</td><td></td><td>136</td><td>16</td><td>1</td><td></td><td>153</td></tr>
<tr><td colspan="2">Total</td><td>1116</td><td>431</td><td>804</td><td>4</td><td>2355</td></tr>
</table>
· Lithology logs through mineralisation available for all holes.
· Incomplete oxidation-state and interval colour logging (utilised to determine base of supergene zone).
· Summary moisture data available for 28 AC/RC holes show that all bar one hole encountered water through the mineralised interval.
· Recovery data available for 2 DD holes.
· SG measurements taken from Beaconsfield Gold hole TGDD46. No mention of drying samples. May be more akin to bulk density measurements than dry bulk density measurements.
</td></tr>
<tr><td>Data aggregation methods</td><td>· Assays composited to 3m for resource estimation.</td></tr>
<tr><td>Relationship between mineralisation widths and intercept lengths</td><td>· No obvious association other than, as expected with supergene mineralisation, globally thicker mineralisation has higher tenor of copper.</td></tr>
<tr><td>Diagrammes</td><td>· No historic or client produced diagrammes available for review.
· Thickness plan:</td></tr>
</table>

Criteria	Explanation
	 · Copper grade plan:

Criteria	Explanation
	 Drillhole plan:

Criteria	Explanation
	
Balanced reporting	· Selective sampling of holes where mineralisation observed considered acceptable for estimating sulphide resources. · Alternative sampling and "cherry picking" practices assessed as having negligible effect on global estimate but will be a limiting factor in lifting local resources to higher than Inferred classification under the JORC Code (2012 Edition) · 66 of the 225 holes terminate within mineralisation; however surrounding holes adequately define the base of mineralisation.
Other substantive exploration data	· A further 683 holes within and surrounding the prospect area were utilised for defining the resource mineralisation.
Further work	· Evaluation of area for discovery of styles of mineralisation other than the defined supergene mineralisation.

Estimation and Reporting of Mineral Resources

Criteria	Explanation
Database integrity	· Data management protocols and provenance unknown. · Limited cross checks with paper records of drill hole and assay data. · Relational and spatial integrity assessed and considered acceptable.

Criteria	Explanation
Site visits	· Not undertaken by CP · CP has viewed photos of chip trays with mineralisation taken by Northern Platinum Personnel.
Geological interpretation	· Single planar flat-lying horizon of supergene mineralisation containing areas where mineralisation thickens and copper grade tenor increases. A 0.2%Cu cut was utilised to domain the extents of the better mineralisation and this domain used as a hard boundary for grade interpolation.
Dimensions	· Extends intermittently for a strike length of 4000m (NS) a breadth of 1500m and vertically up to 60m thick. The model includes prospects known as Thursday Gossan Chalcocite Copper, Junction and Drysdale. · The block model and grade estimate encompasses the extent of the mineralisation.
Estimation and modelling techniques	· Copper grades were interpolated into a Vulcan™ non-regular block model with 20x20x10 metre parent blocks – subblocked to 2.5x2.5x2.5 metre minimum block dimensions. · 3m composite intervals utilised. · No high grade sample treatment applied. · Single pass ID2 interpolation run employed utilising 200m sample search within the plane of mineralisation (97.8% of blocks within the TIN domain estimated). · Minimum of 10 and maximum of 20 composites utilised to estimate grade. · The Mt Ararat resource is classified as Inferred under the guidelines set out in the 2012 JORC Code.
Moisture and Recovery	· 27 of 28 AC/RC holes with moisture information recorded wet drilling conditions through the mineralisation. It is unknown if the wet conditions has introduced bias or contamination into the dataset as relevant/detailed information is not available. · Available core recovery data suggests that biases caused by both loss and enrichment may be affecting the resource dataset.
Cut-off parameters	· The resource estimate is reported at 0.2%, 0.3% and 0.5% Cu cuts and by three mineralised thicknesses domains - <10m, 10-20m and >20m thick. These breakdowns and grade tonnage plots are reported to allow differing economic assessment on the project.
Mining factors or assumptions	· Not applied, however resource is reported at three thicknesses for input into this discipline.
Metallurgical factors or assumptions	· Not evaluated as risks associated with historic data over-riding feature affecting the confidence of the estimate.
Environmental factors or assumptions	· Not evaluated as risks associated with historic data over-riding feature affecting the confidence of the estimate.
Bulk Density	· A single tonnage factor of 2.10 tonnes/m^3 was applied to all mineralisation.
Classification	· The estimate is classified as Inferred under the JORC Code (2012 Edition). Absence of QA/QC, the indicated sampling and assaying issues and absence of important data for evaluating other risks to the estimate

Criteria	Explanation
	(such as recover and moisture versus grade) are key factors in assigning an Inferred Classification.
Audits or reviews.	· No Audit or Review of estimate undertaken
Discussion of relative accuracy/ confidence	· Not undertaken other than that stated under the classification section.

Appendix 3: Reporting of Mt Ararat Resource against criteria in Table 1 JORC Code 2012.

The Mount Ararat May 2013 Inferred Resource Estimate is an inverse distance squared Cu, Au, Ag and Zn estimate of the planar, steeply dipping VMS style mineralisation of the deposit and is tabulated below. The estimate was undertaken, classified and reported according to the guidelines set out in *The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserve (the JORC Code, 2012 Edition)*.

The Mount Ararat Inferred Resource Estimate:

Mount Ararat 2013 Inferred Resouce *(JORC, 2012 Edition)*						
Reporting Cut (%Cu)	Mineralisation	Tonnes (KT)	Cu (%)	Au (ppm)	Ag (ppm)	Zn (%)
0.5	Oxide/Weathered	310	1.5	0.4	2.9	0.2
	Supergene	80	2.3	0.5	4.7	0.3
	Primary >=2m	290	2.3	0.5	6.4	0.5
	Primary <2m	770	1.7	0.4	5.7	0.4
	Total Inferred	**1450**	**1.8**	**0.4**	**5.2**	**0.3**
1.0	Oxide/Weathered	220	1.7	0.4	3.2	0.2
	Supergene	80	2.5	0.5	4.9	0.3
	Primary >=2m	280	2.4	0.6	6.6	0.5
	Primary <2m	620	1.9	0.5	6.3	0.4
	Total Inferred	**1200**	**2.0**	**0.5**	**5.7**	**0.4**
2.0	Oxide/Weathered	70	2.6	0.7	4.7	0.2
	Supergene	50	2.9	0.7	5.3	0.3
	Primary >=2m	140	3.1	0.8	7.3	0.5
	Primary <2m	160	2.9	0.6	8.6	0.6
	Total Inferred	**420**	**2.9**	**0.7**	**7.1**	**0.5**

Table shows rounded estimates. This rounding may cause apparent computational discrepancies. Significant figures do not imply precision. Nominal copper grade reporting cuts applied. Four material types reported as varied economic factors will be applicable to the deposit base on reported material types.

- The estimate:
- Is based on historic drilling data of unknown reliability and quality however there are no obvious reasons to question that the holes were drilled to test a discrete steeply dipping body of basemetal mineralisation.
- Extends for a strike length of 830m (towards 335deg), vertically for 350m and ranges mostly between 1m and 3m thick (total massive + sub-massive + stringer mineralisation). The mineralisation is modelled between 4m and 14m thick in the upper 50m (this may be real, due to supergene actions or introduced due to the suspected wet/difficult RC drilling conditions).

- Is underpinned by 266 Cu assays from 55 holes (243 nominal 1m composites). High grade restrictions are applied to the Cu, Au, Ag and Zn grade interpolations (55m radius of influence). A tonnage factor of 3.17g/cc was applied to all mineralised blocks.
- Reconciles well both statistically and spatially with the source assay data.
- Was undertaken by Duncan Hackman who is a member of the Australian Institute of Geoscientists and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity 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 (The JORC Code, 2012 Edition).

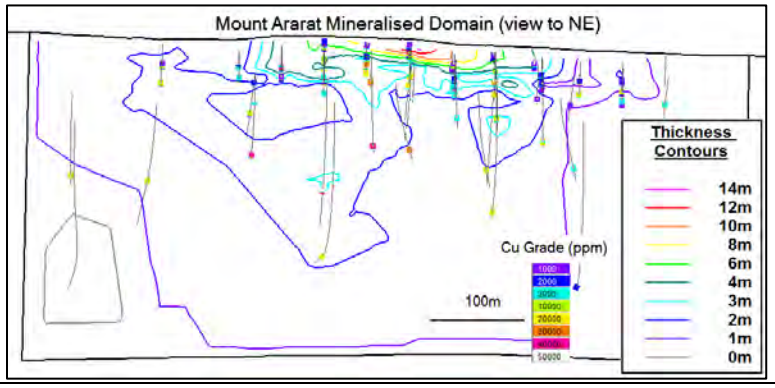
Sampling Techniques and Data

<table>
<tr><th>Criteria</th><th>Explanation</th></tr>
<tr><td>Sampling techniques</td><td>Resource estimate underpinned by diamond drilling (DD) and reverse circulation drilling (RC) drilling samples.</td></tr>
<tr><td>Drilling techniques</td><td>· Drilling details for the Mount Ararat resource drillhole dataset
<table>
<tr><th>Company</th><th>Drill Type</th><th>Number</th><th>Min Length</th><th>Max Length</th><th>Av. Length</th></tr>
<tr><td>Pennzoil</td><td>DD</td><td>12</td><td>121</td><td>381</td><td>221</td></tr>
<tr><td>Centaur Mining</td><td>DD
RC</td><td>18
20</td><td>27
28</td><td>221
65</td><td>83
48</td></tr>
<tr><td>Beaconsfield Gold</td><td>DD
RC</td><td>4
6</td><td>111
18</td><td>142
37</td><td>121
27</td></tr>
<tr><td>Total</td><td></td><td>60</td><td>18</td><td>381</td><td>96</td></tr>
</table></td></tr>
<tr><td>Drill sample recovery</td><td>· No detailed information or data:
· Historic reports state that diamond holes had relatively low core recoveries in the weathered and oxidized mineralized zone.</td></tr>
<tr><td>Logging</td><td>· lithological drill logs utilised.</td></tr>
<tr><td>Sub-sampling techniques and sample preparation</td><td>· Pennzoil: Half-core samples were taken from core showing visible mineralisation.
· Centaur Mining:
○ MA24 to MA38: Half-core samples were taken from core showing visible mineralisation. Sample reduction process unknown.
○ MA39A to MA58: 130mm RC chips from drilling configuration utilising back-end cross-over sub to return sample. Sample collection by splitting (details unknown) and sample reduction process unknown.
○ M94_1 to M94_4: Half-core samples were taken from core showing visible mineralisation. Sample reduction process unknown.
· Beaconsfield Gold:
○ ARD001 to ARD004: diamond drilling – sampling method and reduction unknown.
○ ARC001 to ARC006: 84mm RC chips. Sample collected by passing</td></tr>
</table>

Criteria	Explanation
	through 3 tiered riffle splitter. Sample reduction process unknown.
Quality of assay data and laboratory tests	· Pennzoil: A base metal suite was assayed via AAS *(digestion not specified)* and Au was assayed via fire assay. · Centaur Mining: o MA24 to MA38: A base metal suite was assayed via AAS *(digestion not specified)* and Au was assayed via fire assay. o MA39A to MA58: A base metal suite was assayed via AAS *(digestion not specified)* and Au was assayed via fire assay. o M94_1 to M94_4: A base metal suite was assayed 4 acid digest with AAS finish and Au was assayed via fire assay. · Beaconsfield Gold: o ARD001 to ARD004: Assay Lab – Onsite Lab Services. Cu initially by method B101 - AR digest ICP finish. If higher than 5000ppm then A101 - Ore grade digest *(details unknown)* with AA finish. Au by PE01S - 25g Fire Assay. o ARC001 to ARC006: Assay Lab – Onsite Lab Services. Cu initially by method B101 - AR digest ICP finish. If higher than 5000ppm then A101 - Ore grade digest *(details unknown)* with AA finish. Au by PE01S - 25g Fire Assay. · No quality control samples submitted with any routine samples
Verification of sampling and assaying	· No available data available for analysis
Location of data	· Drillholes originally located according to two local grids (details unknown). Collar coordinates were converted to GDA94 zone 54S by historic workers. Conversion details are unknown. The estimate is undertaken using the supplied GDA94 54S grid references · GPS checking of 2 Pennzoil, 3 Centaur Mining and 4 Beaconsfield Gold hole collar locations show holes located with acceptable accuracy for reporting of Inferred Resources.
Data spacing and distribution	· Within the central 500m of mineralisation (strike length): o Oxide mineralisation – drill tested on 50m centred section lines o Primary mineralisation – sparsely tested by 12 holes · Other areas and mineralisation extent tested by 8 holes
Orientation of data in relation to geological structure	· Holes drilled at 9degrees (Azimuth) to planar mineralisation. · Holes angled mostly between 50 and 70 degrees easterly. Mineralised plane dips westerly ~60degrees
Sample security	· No available data to assess security
Audits or reviews	· GPS checking of 9 hole collar locations · Basic checking of data integrity

Reporting of Exploration Results

<table>
<tr><th>Criteria</th><th>Explanation</th></tr>
<tr><td>Mineral tenement and land tenure status</td><td>· Mineralisation straddles boundary between exploration licences EL4758 (expires 28/01/2014) and EL3019 (expires 21/12/2014)
· Tenements currently held by by Northern Platinum Pty Ltd
· Northern Platinum have submitted an application for a retention licence over the tenements.</td></tr>
<tr><td>Exploration done by other parties</td><td>· Pennzoil: 12 holes drilled into mineralisation.
· Centaur Mining: 38 holes drilled into mineralisation.
· Beaconsfield Gold: 10 holes drilled into mineralisation
· Northern Platinum: GPS checking of 9 hole collar locations</td></tr>
<tr><td>Geology</td><td>· Steeply westerly dipping, single planar massive sulphide horizon (historically described as VMS)</td></tr>
<tr><td>Drill hole Information</td><td>· 60 holes drilled in the prospect, 55 holes intercepted mineralisation, 5 holes define the strike extent of mineralisation.
· Collar locations verified as acceptable through field checking of 9 holes
· Downhole surveys for describing hole trace and sample locations available for 16 holes:
<table>
<tr><th>HoleID</th><th>Number of DH Surveys</th><th>TDepth Hole</th><th>HoleID</th><th>Number of DH Surveys</th><th>TDepth Hole</th></tr>
<tr><td>ARD001</td><td>3</td><td>111.3</td><td>PENZ001</td><td>1</td><td>132.8</td></tr>
<tr><td>ARD002</td><td>6</td><td>114.2</td><td>PENZ003</td><td>1</td><td>151.6</td></tr>
<tr><td>ARD003</td><td>5</td><td>141.6</td><td>PENZ006</td><td>1</td><td>152.4</td></tr>
<tr><td>ARD004</td><td>5</td><td>117.6</td><td>PENZ009</td><td>1</td><td>218.5</td></tr>
<tr><td>M94_1</td><td>4</td><td>220.7</td><td>PENZ010</td><td>1</td><td>252.3</td></tr>
<tr><td>M94_2</td><td>4</td><td>198.0</td><td>PENZ011</td><td>1</td><td>381.2</td></tr>
<tr><td>M94_3</td><td>3</td><td>192.0</td><td>PENZ021</td><td>3</td><td>364.4</td></tr>
<tr><td>M94_4</td><td>4</td><td>204.2</td><td>PENZ023</td><td>4</td><td>329.4</td></tr>
</table>
· Assaying of those samples logged with visible sulphide mineralisation
· Lithology logs available for all holes
· Oxidation state available for 34 Centaur Mining holes.
· Summary moisture data available for 18 Centaur Mining RC holes.
· 39 SG measurements taken from 4 Beaconsfield Gold holes ARD[001-004]</td></tr>
<tr><td>Data aggregation methods</td><td>· Assay sample intervals:
<table>
<tr><th>Drill Type</th><th colspan="7">Count of Sample Lengths</th></tr>
<tr><th></th><th>0.0 to 0.5m</th><th>0.5 to 1.0m</th><th>1.0 to 1.5m</th><th>1.5 to 2.0m</th><th>2.0 to 2.5m</th><th>2.5 to 3.0m</th><th>3.0 to 3.5m</th><th>Total</th></tr>
<tr><td>DD</td><td>102</td><td>85</td><td>14</td><td>6</td><td></td><td>1</td><td>1</td><td>209</td></tr>
<tr><td>RC</td><td>1</td><td>284</td><td></td><td></td><td></td><td></td><td></td><td>285</td></tr>
<tr><td>Total</td><td>103</td><td>369</td><td>14</td><td>6</td><td></td><td>1</td><td>1</td><td>494</td></tr>
</table>
· Composited to 1m intervals for resource estimate.</td></tr>
<tr><td>Relationship between mineralisation widths and intercept lengths</td><td>· No apparent association when data assessed by drill type and mineralisation style breakdown.
· Significant relationship differences when assessing DD vs RC holes:
<table>
<tr><th>Drill Type</th><th>Number of Holes</th><th>Total Metres</th><th>Average Intercept</th><th colspan="4">Average Grade (ppm)</th></tr>
<tr><th></th><th></th><th></th><th></th><th>Cu</th><th>Au</th><th>Ag</th><th>Zn</th></tr>
<tr><td>Diamond</td><td>34</td><td>82</td><td>2.4</td><td>31123</td><td>0.95</td><td>9.1</td><td>4384</td></tr>
<tr><td>Reverse Circulation</td><td>26</td><td>145</td><td>5.6</td><td>15551</td><td>0.23</td><td>1.7</td><td>1614</td></tr>
</table>
○ Smearing and/or preferential loss and/or cross-contamination of samples may be present in RC drill sample assay dataset.</td></tr>
</table>

Criteria	Explanation
	○ Preferential loss of friable non-mineralised material may have biased the DD drill sample assay dataset ○ Both the RC and DD datasets may be preferentially weighted by material with significantly different tenor of in situ grade
Diagrammes	· Historic cross sections and plans were reviewed · Long section thickness and drillhole trace figure: 
Balanced reporting	· Selective sampling of holes where mineralisation observed considered acceptable for estimating sulphide resources. Any gold or silver mineralisation intercepted by drilling with no associated sulphides will not be identifiable in the current dataset.
Other substantive exploration data	· A further 53 holes have been drilled within the exploration tenements.
Further work	· Mineralisation thins but is open at depth and opportunities for defining drilling targets (thick shoots)

Estimation and Reporting of Mineral Resources

Criteria	Explanation
Database integrity	· Data management protocols and provenance unknown · Limited cross checks with paper records of drill hole and assay data · Field verification of 9 hole collar locations. · Relational and spatial integrity assessed and considered acceptable.
Site visits	· Not undertaken by CP · Northern Platinum personnel verify existence of core. CP has viewed photos of chip trays with mineralisation taken by Northern Platinum Personnel.
Geological interpretation	· Single planar mineralised massive sulphide body interpreted and modelled for grade interpolation. · Oxide state modelled and utilised for reporting of resource estimate.
Dimensions	· Mineralisation extends for a strike length of 830m (towards 335deg), vertically for 350m and ranges mostly between 1m and 3m thick (total massive + sub-massive + stringer mineralisation). The mineralisation is modelled between 4m and 14m thick in the upper 50m (this may be real, due to supergene actions or introduced due to the suspected wet/difficult RC drilling conditions) · The block model and grade estimate encompasses the extent of the

Criteria	Explanation
	mineralisation.
Estimation and modelling techniques	· Copper, gold, silver and zinc grades were interpolated into a Vulcan™ non-regular block model with 10x10x10 metre parent blocks – subblocked to 1x1x1 metre minimum block dimensions. · 1m composite intervals utilised. · Grades greater than: ○ 6%Cu, ○ 2.50ppmAu, ○ 15ppmAg, ○ 1%Zn, were restricted to inform blocks within a 55m radius of their location. · Single pass ID2 interpolation run employed utilising 400m sample search within the plane of mineralisation. · Minimum of 20 and maximum of 40 composites utilised to estimate grade. · The Mt Ararat resource is classified as Inferred under the guidelines set out in the 2012 JORC Code.
Moisture and recovery	· 15 of 18 RC holes drilled by Centaur Mining encountered wet drilling through the mineralisation. Grade profiles suggest down hole smearing of grade (cross-contamination) in the oxide/supergene mineralisation. · Core recovery averages 85% through the oxide/weathered mineralisation, down from >97% recorded for the supergene and primary mineralisation. There is no information or data to assess the affect core loss has on grade.
Cut-off parameters	· The resource is reported by mineralisation thickness and oxidation state. Cuts of 0.5%, 1.0% and 2.0% copper were applied. These breakdowns and grade tonnage plots are reported to allow differing economic assessment on the project.
Mining factors or assumptions	· Not applied, however resource is reported at 1m and 2m thicknesses and by oxidation state to allow for assessment of both underground and open cut mining methods.
Metallurgical factors or assumptions	· Not evaluated as risks associated with historic data over-riding feature affecting the confidence of the estimate.
Environmental factors or assumptions	· Not evaluated as risks associated with historic data over-riding feature affecting the confidence of the estimate.
Bulk Density	· A single tonnage factor of 3.17 tonnes/m^3 was applied to all mineralisation.
Classification	· The estimate is classified as Inferred under the JORC Code (2012 Edition). Absence of QA/QC and important data for evaluating risk to the estimate (such as recover and moisture versus grade) are key factors in assigning an Inferred Classification.
Audits or reviews.	· No Audit or Review of estimate undertaken.
Discussion of relative accuracy/ confidence	· Not undertaken other than that stated under the classification section.

9. INDEPENDENT ACCOUNTANT'S REPORT

BDO

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38 Station Street
Subiaco, WA 6008
PO Box 700 West Perth WA 6872
Australia

11 March 2014

The Directors
Stavely Minerals Limited
First Floor, 168 Stirling Highway
NEDLANDS WA 6009

Dear Sirs

INVESTIGATING ACCOUNTANT'S REPORT

1. Introduction

We have been engaged by Stavely Minerals Limited (**'Stavely Minerals'** or '**the Company**') to prepare this Investigating Accountant's Report ('**Report**') on the historical financial information and pro forma historical financial information of Stavely Minerals for inclusion in a prospectus ('**Prospectus'**) to be issued by the Company in respect of the proposed initial public offering and listing on the Australian Securities Exchange (**'ASX'**). Broadly, the Prospectus will offer a minimum of 25 million New Shares to a maximum of 30 million New Shares at an issue price of $0.20 each to raise between $5 million to $6 million before costs ('**the Offer**').

The Company may accept oversubscriptions of up to a further 10 million New Shares at an issue price of $0.20 each to raise up to a further $2 million. The maximum amount raised under the prospectus is therefore $8 million before costs. The Offer is subject to a minimum subscription level of 25 million New Shares to raise $5 million before costs.

Expressions defined in the Prospectus have the same meaning in this Report.

2. Scope

Historical financial information

You have requested BDO Corporate Finance (WA) Pty Ltd ('**BDO**') to review the following historical financial information of Stavely Minerals included in the Prospectus:

The Statement of Profit and Loss and Other Comprehensive Income for the period ended 31 December 2013;

The Statement of Financial Position as at 31 December 2013; and

The Statement of Changes in Equity for the period ended 31 December 2013.

(collectively the '**historical financial information**').

The historical financial information has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles contained in Australian Accounting Standards and Stavely Minerals' adopted accounting policies. The historical financial information has been extracted from the financial report of Stavely for the half-year ended 31 December 2013, which was reviewed by BDO Audit (WA) Pty Ltd in accordance with the Australian Auditing Standards. BDO Audit (WA) Pty Ltd issued an unmodified opinion on the half-year financial report.

The historical financial information is presented in the Appendices to this report in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the *Corporations Act 2001*.

Pro Forma historical financial information

You have requested BDO to review the pro forma historical statement of financial position as at 31 December 2013 for Stavely Minerals referred to as the **'pro forma historical financial information'**

The pro forma historical financial information has been derived from the historical financial information of Stavely Minerals, after adjusting for the effects of any subsequent events described in section 7 and the pro forma adjustments described in section 8. The stated basis of preparation is the recognition and measurement principles contained in Australian Accounting Standards applied to the historical financial information and the events or transactions to which the pro forma adjustments relate, as described in section 7 and section 8, as if those events or transactions had occurred as at the date of the historical financial information. Due to its nature, the pro forma historical financial information does not represent the company's actual or prospective financial position.

3. Background

Stavely Minerals Limited, previously known as Northern Platinum Pty Ltd is a mineral exploration company formed to acquire early to advanced stage exploration projects with demonstrated high potential for additional discovery.

The current Board of Directors consists of William Plyley as Non-executive Chairman, Christopher Cairns as Managing Director, Jennifer Murphy as Technical Director and Peter Ironside as Non-executive Director.

An agreement was formally executed on 25 March 2013, whereby the Company agreed to acquire the Stavely and Ararat Projects (collectively the **'Projects'**) from BCD Metals Pty Ltd (**'BCD'**). The Projects are located approximately 200 km west of Melbourne and are accessed by paved highways, with the Projects also having a rail connection to port. They include exploration tenements with a total area of 193 km^2 and the Company has since made applications for an additional 583 km^2 of which 490 km^2 have been granted. Some of the outstanding applications are in competition with other applications. The total area owned and applied for by the Company is 776 km^2. The Projects are considered by the Company to be prospective for porphyry copper-gold, VMS copper-gold-zinc-silver, epithermal gold and Stawell-style gold deposits.

4. Director's responsibility

The directors of Stavely Minerals are responsible for the preparation of the historical financial information and pro forma historical financial information, including the selection and determination of pro forma adjustments made to the historical financial information and included in the pro forma historical financial information. This includes responsibility for such internal controls as the directors determine are necessary to enable the preparation of historical financial information and pro forma historical financial information that are free from material misstatement, whether due to fraud or error.

5. Our responsibility

Our responsibility is to express a limited assurance conclusion on the financial information based on the procedures performed and the evidence we have obtained. We have conducted our engagement in accordance with the Standard on Assurance Engagement ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

A review consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Our engagement did not involve updating or re-issuing any previously issued audit or review report on any financial information used as a source of the financial information.

6. Conclusion

Historical financial information

Based on our review, which was not an audit, nothing has come to our attention which would cause us to believe the historical financial information as set out in the Appendices to this report does not present fairly, in all material aspects, the financial performance for the period ended 31 December 2013 or the financial position as at 31 December 2013 in accordance with the stated basis of preparation as described in section 2.

Pro forma historical financial information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the pro forma historical financial information is not presented fairly in all material respects, in accordance with the stated basis of preparation as described in section 2.

7. Subsequent Events

The pro-forma statement of financial position reflects the following events that have occurred subsequent to the period ended 31 December 2013:

- Stavely has a loan facility agreement in place with Chaka Investments Pty Ltd, a company in which Mr Peter Ironside is sole director. This agreement provides a loan facility of up to $2.5 million. As at 31 December 2013, an amount of $1.55 million has been drawn down by the Company. A further $500,000 was drawn down during February 2014 to pay the second last instalment to BCD for the acquisition of the Projects; and

- Just prior to listing, the Company intends to convert $2 million of the loan facility in place with Chaka Investments Pty Ltd into 10 million shares at a conversion price of $0.10 per share and a further 5 million shares at a conversion price of $0.20 per share.

Apart from the matters dealt with in this Report, and having regard to the scope of our Report, to the best of our knowledge and belief, no other material transactions or events outside of the ordinary business of the Company have come to our attention that would require comment on, or adjustment to, the information referred to in our Report or that would cause such information to be misleading or deceptive.

8. Assumptions Adopted in Compiling the Pro forma Statement of Financial Position

The pro forma statement of financial position post issue is shown in Appendix 2. This has been prepared based on the reviewed financial statements as at 31 December 2013, the subsequent events set out in section 7, and the following transactions and events relating to the issue of Shares under this Prospectus:

- The issue of 25 million New Shares at an issue price of $0.20 each to raise $5 million before costs pursuant to the Prospectus based on the minimum subscription or the issue of 30 million New Shares at an offer price of $0.20 each to raise $6 million before costs based on the full subscription;
- Costs of the Offer are estimated to be $482,635 based on the minimum subscription and $537,465 based on the full subscription. These costs are to be offset against the contributed equity of the Company. As at 31 December 2013, $56,493 of these costs has been paid by the Company. Therefore, costs of $426,142 based on the minimum subscription and $480,972 based on the full subscription are still to be incurred by the Company; and
- The Company may accept oversubscriptions of up to a further 10 million New Shares at an issue price of $0.20 each. Therefore, the maximum amount raised under the Prospectus, including oversubscriptions, is $8 million. The costs of the Offer if oversubscriptions are accepted, is estimated to total $677,125. Appendix 2 only shows the transactions and events relating to the minimum subscription and the full subscription and does not show the effect of any oversubscriptions.

9. Disclosures

BDO Corporate Finance (WA) Pty Ltd is the corporate advisory arm of BDO in Perth. Without modifying our conclusions, we draw attention to the Prospectus, which describes the purpose of

the financial information, being for inclusion in the Prospectus. As a result, the financial information may not be suitable for use for another purpose.

Neither BDO Corporate Finance (WA) Pty Ltd nor BDO, nor any director or executive or employee thereof, has any financial interest in the outcome of the proposed transaction except for the normal professional fee due for the preparation of this Report.

Consent to the inclusion of the Investigating Accountant's Report in the Prospectus in the form and context in which it appears, has been given. At the date of this Report, this consent has not been withdrawn.

Yours faithfully

BDO Corporate Finance (WA) Pty Ltd

Adam Myers

Director

APPENDIX 1

STAVELY MINERALS LIMITED

STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

	Audited for the year ended 30-Jun-13 $	Reviewed for the half-year ended 31-Dec-13 $
Interest revenue	42	603
Expenses		
Exploration expenses	(14,892)	-
Administration expenses (includes interest expense)	(109,483)	(231,438)
Marketing expenses	-	(3,657)
Loss before income tax expense	**(124,333)**	**(234,492)**
Income tax benefit/(expense)	-	-
Net loss for the period	**(124,333)**	**(234,492)**

This statement of profit and loss and other comprehensive income shows the historical financial performance of the Company and is to be read in conjunction with the notes to and forming part of the historical financial information set out in Appendix 4. Past performance is not a guide to future performance.

APPENDIX 2

STAVELY MINERALS LIMITED

STATEMENT OF FINANCIAL POSITION

						Pro-forma adjustments		Pro-forma after issue	
		Audited as at 30-Jun-13	Reviewed as at 31-Dec-13	Subsequent events	Prior to Offer	Minimum subscription	Full subscription	Minimum subscription	Full subscription
	Notes	$	$	$	$	$	$	$	$
CURRENT ASSETS									
Cash and cash equivalents	2	34,427	173,868	-	173,868	4,573,858	5,519,028	4,747,726	5,692,896
Trade and other receivables		340,491	192,949	-	192,949	-	-	192,949	192,949
Other current assets	3	-	56,493	-	56,493	(56,493)	(56,493)	-	-
TOTAL CURRENT ASSETS		374,918	423,310	-	423,310	4,517,365	5,462,535	4,940,675	5,885,845
NON CURRENT ASSETS									
Plant & equipment		647	-	-	-	-	-	-	-
Deferred exploration		3,159,516	3,539,655	-	3,539,655	-	-	3,539,655	3,539,655
TOTAL NON CURRENT ASSETS		3,160,163	3,539,655	-	3,539,655	-	-	3,539,655	3,539,655
TOTAL ASSETS		3,535,081	3,962,965	-	3,962,965	4,517,365	5,462,535	8,480,330	9,425,500
CURRENT LIABILITIES									
Trade and other payables	4	2,107,587	1,069,963	(500,000)	569,963	-	-	569,963	569,963
Borrowings	5	50,000	1,550,000	(1,500,000)	50,000	-	-	50,000	50,000
TOTAL CURRENT LIABILITIES		2,157,587	2,619,963	(2,000,000)	619,963	-	-	619,963	619,963
TOTAL LIABILITIES		2,157,587	2,619,963	(2,000,000)	619,963	-	-	619,963	619,963
NET ASSETS/(LIABILITIES)		**1,377,494**	**1,343,002**	**2,000,000**	**3,343,002**	**4,517,365**	**5,462,535**	**7,860,367**	**8,805,537**
EQUITY									
Issued capital	6	1,500,022	1,700,022	2,000,000	3,700,022	4,517,365	5,462,535	8,217,387	9,162,557
Accumulated losses		(122,528)	(357,020)		(357,020)	-	-	(357,020)	(357,020)
TOTAL EQUITY		**1,377,494**	**1,343,002**	**2,000,000**	**3,343,002**	**4,517,365**	**5,462,535**	**7,860,367**	**8,805,537**

The pro-forma statement of financial position after issue is as per the statement of financial position before issue adjusted for any subsequent events and the transactions relating to the issue of shares pursuant to this Prospectus. The statement of financial position is to be read in conjunction with the notes to and forming part of the historical financial information set out in Appendix 4.

APPENDIX 3

STAVELY MINERALS LIMITED

STATEMENT OF CHANGES IN EQUITY

	Notes	Reviewed for the period ended 31-Dec-13 $	Subsequent events $	Prior to Offer $	Pro-forma adjustments Minimum subscription $	Pro-forma adjustments Full subscription $	Pro-forma after issue Minimum subscription $	Pro-forma after issue Full subscription $
Balance as at 1 July 2013		(122,528)	-	(122,528)	-	-	(122,528)	(122,528)
Comprehensive income for the period								
Loss for the period		(234,492)	-	(234,492)	-	-	(234,492)	(234,492)
Total comprehensive income for the period		(234,492)	-	(234,492)	-	-	(234,492)	(234,492)
Transactions with equity holders in their capacity as equity holders								
Contributed equity, net of transaction costs	6	1,700,022	2,000,000	3,700,022	4,517,365	5,462,535	8,217,387	9,162,557
Total transactions with equity holders		1,700,022	2,000,000	3,700,022	4,517,365	5,462,535	8,217,387	9,162,557
Balance		**1,343,002**	**2,000,000**	**3,343,002**	**4,517,365**	**5,462,535**	**7,860,367**	**8,805,537**

The above statement of changes in equity is to be read in conjunction with the notes to and forming part of the historical financial information set out in Appendix 4.

APPENDIX 4

STAVELY MINERALS LIMITED

NOTES TO AND FORMING PART OF THE HISTORICAL FINANCIAL INFORMATION

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of the historical financial information included in this Report have been set out below.

a) Basis of preparation of historical financial information

The historical financial information has been prepared in accordance with the recognition and measurement, but not all the disclosure requirements of the Australian equivalents to International Financial Reporting Standards ('**AIFRS**'), other authoritative pronouncements of the Australian Accounting Standards Board, Australian Accounting Interpretations and the Corporations Act 2001.

The historical financial information has also been prepared on a historical cost basis. Non-current assets are measured at the lower of carrying amounts and fair value less costs to sell.

b) Going Concern

The historical financial information has been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

The ability of the Company to continue as a going concern is dependent on the success of the fundraising under the Prospectus or other financing opportunities. The Directors believe that the Company will continue as a going concern. As a result the financial information has been prepared on a going concern basis. However should the fundraising under the Prospectus or any alternative financing opportunities be unsuccessful, the entity may not be able to continue as a going concern. No adjustments have been made relating to the recoverability and classification of liabilities that might be necessary should the Company not continue as a going concern.

c) Reporting Basis and Conventions

The report is also prepared on an accrual basis and is based on historic costs and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

The following is a summary of the material accounting policies adopted by the company in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

d) Cash and cash equivalents

Cash and short-term deposits in the statements of financial position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

e) Trade and other receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method less an allowance for impairment. An impairment provision is recognised when there is objective evidence that the Company will not be able to collect the receivables. Bad debts are written off when identified.

Receivables from related parties are recognised and carried at the nominal amount due. Interest, when charged by the Company, is taken up as income on an accrual basis.

f) Property, plant and equipment

Plant and equipment is stated at cost less accumulated depreciation and any impairment.

Depreciation is calculated on a reducing balance basis to write off the net cost of each item of plant and equipment over its expected useful life, being 2.5 to 5 years.

g) Exploration and evaluation assets

Exploration and evaluation expenditure incurred by or on behalf of the Company is accumulated separately for each area of interest.

Exploration and evaluation expenditure is recognised in relation to an area of interest when the rights to tenure of the area of interest are current and either:

- such expenditure is expected to be recovered through successful development and commercial exploitation of the area of interest; or
- the exploration activities in the area of interest have not yet reached a stage which permits reasonable assessment of the existence of economically recoverable reserves and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration expenditure, which no longer satisfies the above policy, is written off.

Restoration costs expected to be incurred are provided for as part of exploration, evaluation, development or production phases that give rise to the need for restoration.

h) Impairment of assets

At each reporting date, the Company assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the Company makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

Recoverable amount is the greater of fair value less costs to sell and value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash generating unit) is reduced to its recoverable amount.

i) Restoration, rehabilitation and environmental costs

The Company recognises any legal restoration obligation as a liability at the time a legal liability exists. The carrying amount of the long lived assets to which the legal obligation relates is increased by the restoration obligation costs and amortised over the producing life of the asset.

j) Trade and other payables

Trade payables and other payables are recognised initially at fair value and subsequently at amortised cost and represent liabilities for goods and services provided to the Company prior to the end of the financial year that are unpaid and arise when the Company becomes obliged to make future payments in

respect of the purchase of these goods and services. The amounts are unsecured and usually paid within 30 days of recognition.

k) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

l) Issued capital

Issued and paid up capital is recognised at the fair value of the consideration received by the Company. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

m) Revenue recognition

Revenue is recognised and measured at the fair value of the consideration received or receivable, to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Interest revenue

Interest revenue is recognised as it accrues, taking into account the effective yield on the financial asset.

n) Share-based payment transactions

The Company may provide benefits to employees (including directors) and consultants of the Company in the form of share-based payment transactions, whereby services are rendered in exchange for shares or rights over shares ('equity-settled transactions').

The cost of these equity-settled transactions is measured by reference to the fair value at the date at which they are granted.

Share-based payments – options with an exercise price

The fair value of these payments is determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option. The fair value of the options granted is adjusted to reflect market conditions, but excludes the impact of any non-market vesting conditions. Non-market vesting conditions, if any, are included in assumptions about the number of options likely to be exercisable.

Upon exercise of the options, the proceeds received, net of any transaction costs, are credited to issued capital.

o) Borrowing costs

All borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, interest-bearing borrowings are subsequently

measured at amortised cost using the effective interest method. Fees paid on the establishment of loan facilities that are yield related are included as part of the carrying amount of the borrowings.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

p) Income tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Deferred income tax is provided on all temporary differences in the statement of financial position between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax is recognised for all taxable temporary differences, except where the deferred tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Income taxes relating to items recognised directly in equity are recognised in equity and not in the profit or loss.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

q) Other taxes

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense as applicable.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities that are recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

r) Accounting estimates and judgements

In the process of applying the accounting policies, management has made certain judgements or estimations which have an effect on the amounts recognised in the financial information.

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

Recoverability of capitalised exploration and evaluation expenditure

The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the company decides to exploit the related lease itself, or, if not, whether it successfully recovers the related exploration and evaluation asset through sale.

Factors that could impact the future recoverability include the level of reserves and resources, future technological changes, costs of drilling and production, production rates, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

Taxation

The Company is subject to income taxes in Australia. Significant judgement is required when determining the Company's provision for income taxes. The Company estimates its tax liabilities based on the Company's understanding of the tax law.

NOTE 2. CASH AND CASH EQUIVALENTS	Reviewed 31-Dec-13 $	Pro-forma after issue Minimum subscription $	Pro-forma after issue Full subscription $
Cash and cash equivalents	173,868	4,747,726	5,692,896
Adjustments to arise at the pro-forma balance:			
Reviewed balance of Stavely Minerals at 31 December 2013		173,868	173,868
Pro-forma adjustments:			
Proceeds from shares issued under this Prospectus		5,000,000	6,000,000
Capital raising costs		(426,142)	(480,972)
		4,573,858	5,519,028
Pro-forma Balance		4,747,726	5,692,896

NOTE 3. OTHER CURRENT ASSETS	Reviewed 31-Dec-13 $	Pro-forma after issue Minimum subscription $	Pro-forma after issue Full subscription $
Other current assets	56,493	-	-
Adjustments to arise at the pro-forma balance:			
Reviewed balance of Stavely Minerals at 31 December 2013		56,493	56,493
Pro-forma adjustments:			
Transfer of prepaid capital raising costs to contributed equity		(56,493)	(56,493)
		(56,493)	(56,493)
Pro-forma Balance		-	-

NOTE 4. TRADE AND OTHER PAYABLES	Reviewed 31-Dec-13 $	Pro-forma after issue Minimum subscription $	Pro-forma after issue Full subscription $
Trade and other payables	1,069,963	569,963	569,963
Adjustments to arise at the pro-forma balance:			
Reviewed balance of Stavely Minerals at 31 December 2013		1,069,963	1,069,963
Subsequent events:			
Payment of the second last instalment to BCD for the acquisition of the Projects		(500,000)	(500,000)
		(500,000)	(500,000)
Pro-forma Balance		569,963	569,963

NOTE 5. BORROWINGS	Reviewed 31-Dec-13 $	Pro-forma after issue Minimum subscription $	Pro-forma after issue Full subscription $
Borrowings	1,550,000	50,000	50,000
Adjustments to arise at the pro-forma balance:			
Reviewed balance of Stavely Minerals at 31 December 2013		1,550,000	1,550,000
Subsequent events:			
Further draw down of Chaka Investments Pty Ltd loan facility		500,000	500,000
Conversion of borrowings to equity at a price of $0.10 each		(1,000,000)	(1,000,000)
Conversion of borrowings to equity at a price of $0.20 each		(1,000,000)	(1,000,000)
		(1,500,000)	(1,500,000)
Pro-forma Balance		50,000	50,000

NOTE 6. ISSUED CAPITAL	Reviewed 31-Dec-13 $	Pro-forma after issue Minimum subscription	Full subscription $
Issued capital	1,700,022	8,217,387	9,162,557

	Number of shares		$	
	Minimum	Maximum	Minimum	Maximum
Adjustments to arise at the pro-forma balance:				
Fully paid ordinary share capital of Stavely Minerals	35,000,000	35,000,000	1,700,022	1,700,022
Subsequent events:				
Conversion of borrowings to equity at a price of $0.10 each	10,000,000	10,000,000	1,000,000	1,000,000
Conversion of borrowings to equity at a price of $0.20 each	5,000,000	5,000,000	1,000,000	1,000,000
	15,000,000	15,000,000	2,000,000	2,000,000
Fully paid ordinary share capital prior to Offer	50,000,000	50,000,000	3,700,022	3,700,022
Pro-forma adjustments:				
Proceeds from shares issued under this Prospectus	25,000,000	30,000,000	5,000,000	6,000,000
Transfer of prepaid capital raising costs to contributed equity	-	-	(56,493)	(56,493)
Capital raising costs	-	-	(426,142)	(480,972)
	25,000,000	30,000,000	4,517,365	5,462,535
Pro-forma Balance	75,000,000	80,000,000	8,217,387	9,162,557

Options on issue	Number
Current options on issue:	
Options exercisable at $0.27 each on or before 31 December 2017	12,000,000
Options to be issued*:	
Options exercisable at $0.27 each on or before 31 December 2017	2,400,000
Total	**14,400,000**

*The Company has agreed to issue 2.4 million options on the same terms as the Options currently on issue. These options will be granted prior to listing and will be issued to the Chairman, Technical Director and consultants.

NOTE 7: RELATED PARTY DISCLOSURES

Transactions with Related Parties and Directors Interests are disclosed in the Prospectus.

NOTE 8: COMMITMENTS AND CONTINGENCIES

Pursuant to the terms of the Asset Sale Agreement between the Company and BCD to acquire the Projects, the Company is required to make a final payment to BCD, which is as follows:

On a date which is 360 days after Completion (being 12 May 2014), either:

a) If the Company has been listed on the ASX for at least 20 days as at 12 May 2014, either, at the election of BCD:

   i. The issue of fully paid ordinary shares in the Company (**'Shares'**) to the value of $500,000 at a deemed issue price equal to the volume weighted average trading price of Shares on the ASX over the 20 days prior to 12 May 2014; or

   ii. A cash payment of $500,000; or

b) If the Company has not been listed on the ASX for at least 20 days as at 12 May 2014, a cash payment of $500,000.

As at 31 December 2013, the Company has accrued this final $500,000 instalment payable to BCD which is include in trade and other payables.

At the date of our Report no other material commitments or contingent liabilities exist that we are aware of, other than those disclosed in the Prospectus.

NOTE 9: HISTORICAL FINANCIAL INFORMATION

Stavely Minerals was incorporated in 2006 and has no operating history and limited historical financial performance. As a result, the Company considers the most appropriate historical financial information includes the Company's balance sheet as at 30 June 2013 and 31 December 2013 which are both shown at Appendix 2.

10. SOLICITOR'S REPORT ON TENEMENTS

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12 March 2014

Your Ref:
Our Ref: ECS:MPF:3760-03
Contact: Mark Foster
Partner
mfoster@steinpag.com.au

Stavely Minerals Limited
Level 1, 168 Stirling Highway
NEDLANDS WA 6009

Dear Sirs/Madam

SOLICITOR'S REPORT ON TENEMENTS

This Solicitor's Report on Tenements (**Report**) is prepared for inclusion in a prospectus for the issue of up to 30,000,000 Shares in the capital of Stavely Minerals Limited (**Company** or **Stavely**) at an issue price of $0.20 per Share to raise up to $6,000,000 (**Prospectus**).

1. SCOPE

We have been requested to report on certain mining tenements and mining tenement applications in which the Company has an interest (the **Tenements**).

The Tenements are located in Victoria. Details of the Tenements are set out in Part I of the attached Schedule.

This Report is limited to the Searches (as defined below) set out in Section 2 of this Report.

2. SEARCHES

For the purposes of this Report, we have conducted searches and made enquiries in respect of the Tenements as follows (**Searches**):

(a) we obtained a search of the Tenements from the registers maintained by the Victorian Department of State Development, Business and Innovation (**DSDBI**) on 14 November 2013, 4 December 2013, 14 January 2014 and 7 March 2014. Key details on the status of the Tenements are set out in Part 1 of the attached Schedule;

(b) we obtained extracts of registered native title claims and native title determinations that apply to the Tenements, as determined by the National Native Title Tribunal (**NNTT**). This material was obtained on 2 December 2013 and 15 January 2014. Details of native title claims and determinations are set out in Part II of the attached Schedule;

(c) we obtained searches from the online Aboriginal Heritage Register (**Register**) for Aboriginal sites recorded in the Register that overlap the Tenements maintained by the Victorian Department of Planning and Community Development. This material was obtained on 11 December 2013. Details of the Aboriginal heritage sites found are set out in Part II of the attached Schedule; and

(d) we have reviewed all material agreements relating to the Tenements provided to us or registered as dealings against the Tenements as at the date of the relevant searches and have summarised these agreements in Part III of the attached Schedule.

3. OPINION

As a result of our searches and enquiries, subject to the assumptions and qualifications set out in this Report, we are of the view that, as at the date of the relevant Searches, this Report provides an accurate statement as to:

(a) (**Company's interest**): the Company's interest in the Tenements;

(b) (**Good standing**): the validity and good standing of the Tenements; and

(c) (**Third party interests**): third party interests, including encumbrances, in relation to the Tenements.

4. EXECUTIVE SUMMARY

Subject to the qualifications and assumptions in this Report, we consider the following to be material issues in relation to the Tenements:

(a) EL 4758 expired on 28 January 2014. The Company lodged an application for renewal for EL 4758 on 10 January 2014 and the Tenement's status is listed as 'pending renewal' as at 7 March 2014. The Company has received a notice of endorsement of EL 4758 from the DSDBI dated 7 March 2014 advising that the DSDBI will recommend to the Minister that the Tenement be renewed:

(i) for a further term of 2 years;

(ii) with an expenditure covenant of $27,000 per year; and

(iii) subject to the inclusion of a number of additional conditions (which are acceptable to the Company).

It is also noted that as part of the renewal application, the Company was required to nominate 4 graticular sections for relinquishment. These sections are covered by the area the subject of a retention licence application lodged by the Company in August 2013, and the Company has lodged an application to defer the relinquishment of the 4 gratciular sections until the retention licence is granted. However, in the event the deferral is not granted, the exploration program for EL 4758 will not be affected;

(b) EL 4556 expires in April 2014, and the Company has lodged an application for renewal in respect of this Tenement. There is no guarantee that this Tenement will be able to be renewed on terms acceptable to the Company or at all. EL 4556 was granted in 2001. As set out in Section 5.1 below, a renewal of the term of an exploration licence past 10 years shall only be granted in exceptional circumstances. It is noted that expenditure for the period July 2012 to June 2013 met the minimum expenditure requirements of $154,000 and there has been ongoing exploration since then. If required, the Company will lodge an application for a retention licence over certain areas within the Tenement. It is also noted that there was a large reduction in the Tenement area upon the last renewal in 2012, and accordingly a further area reduction will not be required when a renewal is applied for in April 2014;

(c) the Tenements overlap areas of private land, road reserves, 113 registered Aboriginal heritage sites, one registered native title claim and one registered indigenous land use agreement. The Company may be required to obtain the consent of the applicable third party interest holders prior to conducting any exploration activities on the affected areas within the Tenements;

(d) EL 4556 is subject to a royalty payable to New Challenge Resources Pty Ltd of 3% of the proceeds from the sale of gold and/or minerals derived from material mined from EL 4556 (or any other tenement granted in respect of the area of EL 4556). The Company has the option (until July 2014) to redeem two thirds of the royalty by paying $500,000 (exclusive of GST) to New Challenge Resources Pty Ltd; and

(e) upon the application for EL 3019, EL 4758 and EL 4556, the applicant did not nominate base metals as a permitted mineral. As the Company's past and proposed exploration activities include exploration for copper and zinc, the Company proposes to contact the DSDBI to request the addition of base metals as a permitted mineral for these Tenements. We have been advised by the DSDBI that the fact that base metals have not previously been identified as permitted minerals on these Tenements currently has no impact on the past or proposed activities of the Company.

5. DESCRIPTION OF THE TENEMENTS

The Tenements comprise exploration licences and a retention licence granted or applied for under the *Mineral Resource (Sustainable Development) Act 1990* (Vic) (**Mining Act**). Part I of the attached Schedule provides a list of the Tenements. Set out below is a description of the nature and key terms of these types of mining tenements as set out in the Mining Act.

5.1 Exploration Licence

As at the date of this Report, the Company is the registered holder of five granted exploration licences, and has lodged applications for three additional exploration licences.

Application: A person may lodge an application for an exploration licence in accordance with the Mining Act and the Minister responsible for the Mining Act (**Minister**) will determine whether to grant the application. An application for an exploration licence cannot be legally transferred and continues in the name of the applicant.

The area of land in respect of which an exploration licence may be granted must be contained in a single licence area and must not exceed 500 lots of 1,000 metre interval blocks, based on the Australian Geodatic Datum 1966, as shown on the National Topographic Map Series published by the National Mapping Council (**Graticular Sections**).

Rights: Under the Mining Act, the holder of an exploration licence is authorised to undertake low impact exploration activities as set out in an approved work plan. Exploration activities may include:

(a) conducting geological, geophysical and geochemical surveys;

(b) conducting drilling;

(c) taking samples for the purposes of chemical or other analysis;

(d) extracting minerals from the land, other than for the purpose of producing them commercially; and

(e) undertaking any other activity (except mining) that is specified in the exploration licence.

Term: An exploration licence may be granted for a term not exceeding 5 years and may be renewed for two further periods of 5 years on each renewal at the Minister's discretion, however a second renewal shall only be given in exceptional circumstances.

Rent: There is currently no annual rent payable on Victorian mining tenements.

Conditions: Exploration licences are granted subject to various standard conditions, including conditions relating to minimum expenditure and observance of environmental protection and reporting requirements. A failure to comply with these conditions or any other conditions associated with an exploration licence may lead to forfeiture of the exploration licence.

Relinquishment: Under the Mining Act, the area of an exploration licence must be reduced by:

(a) 25% on the second anniversary date of the grant of the exploration licence (**Date of Grant**);

(b) a further 35% on the fourth anniversary of the Date of Grant;

(c) a further 20% on the seventh anniversary of the Date of Grant; and

(d) a further 10% on the tenth anniversary of the Date of Grant,

subject to the discretion of the Minister.

Priority to apply for mining licence: The holder of an exploration licence has priority to apply for a mining licence over any of the land the subject of the exploration licence. The *Mineral Resources Development Regulations 2002* (Vic) levies a royalty at a rate of 2.75% of the net market value of mineral commodities (other than gold) sold or removed from a mine.

Transfer: No legal or equitable interest in an exploration licence can be transferred or otherwise dealt with during the first year of its term. Thereafter, there is no restriction on transfers or other dealings.

5.2 Retention licence

Application: A person may lodge an application for a retention licence in accordance with the Mining Act and the Minister responsible for the Mining Act will determine whether to grant the application. The holder of an exploration licence or prospecting licence has priority to apply for a retention licence. The Minister may approve the application where there is an identified mineral resource within the

application area which is not yet economically viable to mine but may become economically viable to mine in the future. An application for a retention licence cannot be legally transferred and continues in the name of the applicant.

As at the date of this Report, the Company has made one application for a retention licence. The mineralisation report submitted by the Company in respect of its application for retention licence RL 2011 has been accepted by the DSDBI.

Rights: The holder of a retention licence is entitled to enter the land and undertake intensive exploration, research and other non-mining activities to demonstrate the economic viability of mining an identified mineral resource.

Term: A retention licence may be granted for a term of up to 10 years, and may be renewed for two further periods of up to 10 years on each renewal at the Minister's discretion. A second renewal shall only be given in exceptional circumstances.

Rent: There is currently no annual rent payable on Victorian mining tenements.

Conditions: The licensee is required to comply with the Mining Act, any regulations made under the Mining Act, and any conditions placed on the licence (including, for example, conditions reflecting the agreed work program). The licensee must also carry out the work in accordance with the agreed work program and report on activities and expenditure. Failure to comply with these requirements may result in licence cancellation, non-renewal or other enforcement actions.

Priority to apply for mining licence: The holder of a retention licence has priority to apply for a mining licence over any of the land subject to the retention licence. Any application for a mining licence must be made prior to the expiry of the retention licence. The retention licence remains in force until the application for the mining licence is determined. If the Minister is satisfied that mining of the identified resource is viable, the Minister may require the licensee to show cause why a mining licence has not been applied for over all or part of the retention licence area. The *Mineral Resources Development Regulations 2002* (Vic) levies a royalty at a rate of 2.75% of the net market value of mineral commodities (other than gold) sold or removed from a mine.

Transfer: The consent of the Minister is required to transfer a retention licence.

6. PRIVATE LAND

As set out in Part I of the attached Schedule, a number of the Tenements overlap private land.

Prior to conducting any low impact exploration work on a tenement, a licensee must obtain the written or informed verbal consent of the owner or occupier of the private land affected.

Pursuant to Section 85 of the Mining Act, compensation is payable by a tenement holder to the owner or occupier of private land for any loss or damage that has been or will be sustained as a direct, natural and reasonable consequence of the approval of the work plan or the doing of work under a licence.

A tenement holder and the owner or occupier of private land may enter into a written agreement as to the amount of compensation payable. Any such agreement must be lodged with the mining registrar for registration.

Pursuant to the Asset Sale Agreement, BCD assigned its interest in 15 compensation agreements to the Company. These compensation agreements cover parts of EL 3019, EL 4758 and EL 4556. Details of these agreements are set out in Part III of the attached Schedule.

Prior to commencing any activities on any part of the Tenements which is covered by private land but not yet the subject of a compensation agreement, the Company should enter into a compensation agreement with the relevant owner or occupier of the land.

If the Company is unable to reach an agreement with the occupier or owner of any private land within the Tenements, the Mining Act provides for a procedure whereby a tenement licensee or an owner or occupier may apply to the Victorian Civil and Administrative Tribunal or the Victorian Supreme Court for a determination of compensation payable by the licensee to the relevant owner or occupier.

We note that, in addition to the compensation agreements listed in Part III of the attached Schedule, there are compensation agreements registered against a number of the Tenements. However, as these compensation agreements have not been assigned to the Company, they do not bind the Company. The Company should enter into new compensation agreements with the relevant owner or occupier prior to conducting any activities on the affected land.

7. ABORIGINAL HERITAGE

Aboriginal cultural heritage sites on the Tenements were identified from the Heritage Searches. Details of these sites are set out in Part II of the attached Schedule.

7.1 Victorian Legislation

All Aboriginal cultural heritage sites are protected in Victoria under the *Aboriginal Relics Preservation Act* 1972 (Vic) and the *Aboriginal Heritage Act* 2006 (Vic) (**Victorian Heritage Act**).

The Victorian Heritage Act makes it an offence to do an act which harms Aboriginal cultural heritage. If a tenement licensee proposes to conduct any activity which may affect a registered Aboriginal heritage site, it may only do so in accordance with an approved Aboriginal Cultural Management Heritage Plan or an Aboriginal Cultural Heritage Permit obtained under the Victorian Heritage Act.

7.2 Commonwealth legislation

The *Aboriginal and Torres Strait Islander Heritage Protection Act 1984* (Cth) (**Commonwealth Heritage Act**) is aimed at the preservation and protection of any Aboriginal areas and objects that may be located on the Tenements.

Under the Commonwealth Heritage Act, the Minister for Aboriginal Affairs may make interim or permanent declarations of preservation in relation to significant Aboriginal areas or objects, which have the potential to halt exploration activities. Compensation is payable by the Minister for Aboriginal Affairs to a person who is, or is likely to be, affected by a permanent declaration of preservation.

It is an offence to contravene a declaration made under the Commonwealth Heritage Act.

8. NATIVE TITLE

8.1 Introduction

This section of the Report examines the effect of native title on the Tenements.

The existence of native title rights held by indigenous Australians was first recognised in Australia in 1992 by the High Court in the case *Mabo v. Queensland (no.2) (1992) 175 CLR 1* (**Mabo no.2**).

The High Court in Mabo no. 2 held that certain land tenure existing as at the date of that case, including mining tenements, where granted or renewed without due regard to native title rights, were invalid. The High Court concluded that:

(a) native title has been wholly extinguished in respect of land the subject of freehold, public works or other previous "exclusive possession" acts; and

(b) native title has been partially extinguished as a result of the grant of "non-exclusive possession" pastoral leases and mining leases, and also as a result of the creation of certain reserves.

As a result of Mabo no. 2, the *Native Title Act 1993* (Cth) (**NTA**) was passed to:

(c) provide a process for indigenous people to lodge claims for native title rights over land, for those claims to be registered by the NNTT and for the Courts to assess native title claims and determine if native title rights exist. Where a Court completes the assessment of a native title claim, it will issue a native title determination that specifies whether or not native title rights exist;

(d) provide (together with associated State legislation) that any land tenures granted or renewed before 1 January 1994 were valid despite Mabo no. 2 (**Past Acts**). This retrospective validation of land tenure was subsequently extended by the NTA to include freehold and certain leasehold (including pastoral leases) granted or renewed before 23 December 1996 (**Intermediate Period Acts**). Broadly speaking, this means that native title is not extinguished, merely suspended, for the duration of the mining tenement; and

(e) provide that an act that may affect native title rights (such as the grant or renewal of a mining tenement) carried out after 23 December 1996 (a **Future Act**) must comply with certain requirements for the Future Act to be valid under the NTA. These requirements are called the **Future Act Provisions**.

8.2 Future Act Provisions

The Future Act Provisions vary depending on the Future Act to be carried out. In the case of the grant of a mining tenement, typically there are four alternatives: the Right to Negotiate, an ILUA, the Infrastructure Process (defined below) and the Expedited Procedure. These are summarised below.

Right to Negotiate

The Right to Negotiate involves a formal negotiation between the State, the applicant for the tenement and any registered native title claimants and holders of native title rights. The aim is to agree the terms on which the tenement can be granted. The applicant for the tenement is usually liable for any compensation that the parties agree to pay to the registered native title claimants and holders of native title. The parties may also agree on conditions that will apply to activities carried out on the tenement (eg in relation to heritage surveys). The classes of conditions typically included in a mining agreement are set out at section 8.3 below.

If agreement is not reached to enable the tenement to be granted, the matter may be referred to arbitration before the NNTT, which has six (6) months to decide whether the State, the applicant for the tenement and any registered native title claimants and holders of native title rights have negotiated in good faith (only if the issue is raised by one of the parties) and then whether the tenement can be granted and if so, on what conditions. The earliest an application for arbitration can be made to the NNTT is six (6) months after the date of notification of commencement of negotiations by the DMP.

If the Right to Negotiate procedure is not observed, the grant of the mining tenement will be invalid to the extent (if any) that it affects native title.

ILUA

An ILUA is a contractual arrangement governed by the NTA. Under the NTA, an ILUA must be negotiated with all registered native title claimants for a relevant area. The State and the applicant for the tenement are usually the other parties to the ILUA.

An ILUA must set out the terms on which a tenement can be granted. An ILUA will also specify conditions on which activities may be carried out within the tenement. The applicant for a tenement is usually liable for any compensation that the parties agree to pay to the registered native title claimants and holders of native title in return for the grant of the tenement being approved. These obligations pass to a transferee of the tenement.

Once an ILUA is agreed and registered, it binds the whole native title claimant group and all holders of native title in the area (including future claimants), even though they may not be parties to it.

Infrastructure Process

The NTA establishes a simplified process for the carrying out of a Future Act that is the creation of a right to mine for the sole purpose of the construction of an infrastructure facility (**Infrastructure Process**). The NTA defines infrastructure facility to include a range of transportation, marine, aeronautical, electrical, oil, gas, mineral and communication facilities. In Western Australia, DMP applies the Infrastructure Process to two classes of mining tenements:

(a) miscellaneous licences for most purposes under the Mining Regulations 1981 (WA) that but, notably, not for a minesite administration facility or a minesite accommodation facility (both of which are dealt with under the Right to Negotiate) or for a search for groundwater (which is dealt with under the Expedited Procedure); and

(b) most general purpose leases.

The State commences the Infrastructure Process by giving notice of the proposed grant of the tenement to any registered native title claimants or native title holders in relation to the land to be subject to the tenement. Those registered native title claimants or holders have two (2) months after the notification date to object in relation to the effect of the grant of the tenement on any registered or determined native title rights. Any objection is lodged with DMP.

If a registered native title claimant or holder objects, the applicant for the tenement must consult with that claimant or holder about:

(a) ways of minimising the effect of the grant of the tenement on any registered or determined native title rights;

(b) if relevant, any access to the land; and

(c) the way in which anything authorised by the tenement may be done.

If the registered native title claimant or holder does not subsequently withdraw their objection, the State is required to ensure that the objection is heard by an independent person (in Western Australia, this is the Chief Magistrate). The independent person must determine whether or not the registered native title claimant or holder's objection should be upheld or other conditions should be imposed on the tenement.

Expedited Procedure

The NTA establishes a simplified process for the carrying out of a Future Act that is unlikely to adversely affect native title rights (**Expedited Procedure**). The grant of a tenement can occur under the Expedited Procedure if:

(a) the grant will not interfere directly with the carrying on of the community or social activities of the persons who are the holders of native title in relation to the land;

(b) the grant is not likely to interfere with areas or sites of particular significance, in accordance with their traditions, to the persons who are holders of native title in relation to the land; and

(c) the grant is not likely to involve major disturbance to any land or waters concerned or create rights whose exercise is likely to involve major disturbance to any land.

If the State considers the above criteria are satisfied, it commences the Expedited Procedure by giving notice of the proposed grant of the tenement in accordance with the NTA. Persons have until three (3) months after the notification date to take steps to become a registered native title claimant or native title holder in relation to the land to be subject to the tenement.

If there is no objection lodged by a registered native title claimant or a native title holder within four (4) months of the notification date, the State may grant the tenement.

If one or more registered native title claimants or native title holders object within that four (4) month notice period, the NNTT must determine whether the grant is an act attracting the Expedited Procedure. If the NNTT determines that the Expedited Procedure applies, the State may grant the tenement. Otherwise, the Future Act Provisions (eg Right to Negotiate or ILUA) must be followed before the tenement can be granted.

Exception to requirement to comply with Future Act Provisions

The grant of a tenement does not need to comply with the Future Act Provisions if in fact native title has never existed over the land covered by the tenement, or has been validly extinguished prior to the grant of the tenement. We have not undertaken the extensive research needed to determine if in fact native title does not exist, or has been validly extinguished in relation to the Tenements.

Unless it is clear that native title does not exist (eg in relation to freehold land), the usual practice of the State is to comply with the Future Act Provisions when granting a tenement. This ensures the grant will be valid in the event a court determines that native title rights do exist over the land subject to the tenement.

Where a tenement has been retrospectively validated or validly granted under the NTA, the rights under the tenement prevail over any inconsistent native title rights.

Application to the Tenements

The following sections of the Report identify:

(a) any native title claims (registered or unregistered), native title determinations and ILUAs in relation to the Tenements (see Section 8.3);

(b) any Tenements which have been retrospectively validated under the NTA as being granted before 23 December 1996 (see Section 8.5);

(c) any Tenements which have been granted after 23 December 1996 and as such will need to have been granted following compliance with the Future Act Provisions to be valid under the NTA. This Report assumes that the Future Act Provisions have been complied with in relation to these Tenements (see Section 8.5); and

(d) any Tenements which are yet to be granted and as such may need to be granted in compliance with the Future Act Provisions in order to be valid under the NTA (see Section 8.5).

8.3 Native title claims, native title determinations and ILUAs

Our searches indicate that seven of the Tenements are within the external boundaries of the Eastern Maar People native title claim specified in Part II of the attached Schedule. The claim was registered on 20 March 2013.

Our searches indicate that one of the Tenements is within the external boundaries of the Wotjobaluk, Jaadwa, Jadawadjali, Wergaia and Jupagulk ILUA specified in Part II of the attached Schedule. The ILUA was registered on 11 November 2005.

Registered native title claimants (and holders of native title under the determinations) are entitled to certain rights under the Future Act Provisions in respect of land in which native title may continue to subsist.

Freehold land

We have assumed that all of the freehold land the subject of the Tenements was validly granted prior to 23 December 1996 and that therefore:

(a) native title has been extinguished in respect of that land;

(b) registered native title claimants (and determined native title holders) are not entitled to rights under the Future Act Provisions in respect of that land.

The Company has advised us that it proposes to undertake exploration and, subject to receipt of relevant approvals, mining activities on areas designated as freehold land. On the basis that native title is extinguished over freehold land, the Company will not be required to enter into negotiations with respect to native title in order to conduct its activities.

Non-freehold land

Native title may continue to subsist in certain parcels of non-freehold land or 'Crown land', including pastoral leases, vacant/unallocated Crown land and certain Crown reserves that were not vested prior to 23 December 1996 and which have not been subsequently developed as public works.

In particular, native title may continue to subsist in the following parcels within the following Tenements, if those parcels have not been developed as public works:

Tenement
EL 3019
ELA 5486
ELA 5487
RLA 2011

8.4 Validity of Tenements under the NTA

Our Searches indicate that the Tenements are within the external boundaries of the following native title claims, native title determinations and ILUAs:

Tenement	Native Title Claim	Comments
EL 3019	VC2012/001	This Tenement contains areas of Crown land, accordingly, native title may continue to subsist in those areas. It is noted that RLA 2011 overlaps large portions of EL 3019. Whilst no native title data was found for RLA 2011 by the NNTT, it is possible that VC 2012/001 overlaps areas of RLA 2011 which are also Crown land, and accordingly, native title may continue to subsist in those areas.
EL 4758	VC2012/001	This Tenement contains no Crown land, therefore native title is assumed to have been extinguished.
EL 4556	VC2012/001	This Tenement contains no Crown land, therefore native title is assumed to have been extinguished.
EL 5470	VC2012/001	This Tenement contains no Crown land, therefore native title is assumed to have been extinguished.
EL 5471	VC2012/001	This Tenement contains no Crown land, therefore native title is assumed to have been extinguished.
EL 5487	VC2012/001	This Tenement contains areas of Crown land, accordingly, native title may continue to subsist in those areas.
EL 5477	VC2012/001 VI2004/008	This Tenement contains no Crown land, therefore native title is assumed to have been extinguished.

The status of any native title claims, native title determinations and ILUAs is summarised in Part II of the attached Schedule.

Native title claimants, holders of native title under the determinations and native title parties under ILUAs are entitled to certain rights under the Future Act Provisions.

8.5 Validity of Tenements under the NTA

The sections below examine the validity of the Tenements under the NTA.

Tenements granted before 1 January 1994 (Past Acts)

Our Searches indicate that the following Tenement was granted before 1 January 1994 and as such has been retrospectively validated under the NTA.

Tenement	Date of Grant
EL 3019	21/12/1989

Tenements granted between 1 January 1994 and 23 December 1996 (Intermediate Period Acts)

Our Searches indicate that none of the Tenements were granted after 1 January 1994 but before 23 December 1996.

Tenements granted after 23 December 1996

Our Searches indicate that the following Tenements were granted after 23 December 1996.

Tenement	Date of Grant
EL4758	29/01/2004
EL4556	05/04/2001
EL5471	17/06/2013
EL5470	17/06/2013

We have assumed that these Tenements were granted in accordance with the Future Act Provisions and as such are valid under the NTA.

Tenements renewed after 23 December 1996

Renewals of mining tenements made after 23 December 1996 must comply with the Future Act Provisions in order to be valid under the NTA.

An exception is where the renewal is the first renewal of a mining tenement that was validly granted before 23 December 1996 and the following criteria are satisfied:

- the area to which the mining tenement applies is not extended;
- the term of the renewed mining tenement is not longer than the term of the old mining tenement; and
- the rights to be created are not greater than the rights conferred by the old mining tenement.

In such cases, the mining tenement can be renewed without complying with the Future Act Provisions. It is currently uncertain whether this exemption applies to a second or subsequent renewal of such a mining tenement.

Our Searches indicate the following Tenements have been renewed after 23 December 1996, and as such, may need to have complied with the Future Act Provisions to be validly renewed. We have assumed that the Future Act Provisions were complied with to the extent necessary.

Tenement	Date of Grant	Date of Last Renewal
EL 3019	21/12/1989	27/03/2013
EL4758	29/01/2004	09/02/2012
EL4556	05/04/2001	18/04/2012

Renewals of Tenements in the future will need to comply with the Future Act Provisions in order to be valid under the NTA. The registered native title claimants and holders of native title identified in Section 8.3 of this Report will need to be involved as appropriate under the Future Act Provisions.

Valid grant of applications for Tenements

The following Tenements are all currently applications and as such the grant of the Tenements will need to satisfy the Future Act Provisions in order to be valid under the NTA.

Applicant	Tenement
Stavely Minerals Limited	ELA5477
Stavely Minerals Limited	ELA5486
Stavely Minerals Limited	ELA5487
Stavely Minerals Limited	RLA2011

The registered native title claimants, holders of native title and native title parties to any ILUA identified in Section 8.3 of this Report will be involved in accordance with the Future Act Provisions.

9. QUALIFICATIONS AND ASSUMPTIONS

This Report is subject to the following qualifications and assumptions:

(a) we have assumed the accuracy and completeness of all Searches, register extracts and other information or responses which were obtained from the relevant department or authority including the NNTT;

(b) we assume that the registered holder of a Tenement has valid legal title to the Tenement;

(c) this Report does not cover any third party interests, including encumbrances, in relation to the Tenements that are not apparent from our Searches and the information provided to us;

(d) we have assumed that any agreements provided to us in relation to the Tenements are authentic, were within the powers and capacity of those who executed them, were duly authorised, executed and delivered and are binding on the parties to them;

(e) with respect to the granting of the Tenements, we have assumed that the State and the applicant for the Tenements have complied with, or will comply with, the applicable Future Act Provisions;

(f) we have assumed the accuracy and completeness of any instructions or information which we have received from the Company or any of its officers, agents and representatives;

(g) unless apparent from our Searches or the information provided to us, we have assumed compliance with the requirements necessary to maintain a Tenement in good standing;

(h) with respect to the application for the grant of a Tenement, we express no opinion as to whether such application will ultimately be granted and that reasonable conditions will be imposed upon grant, although we have no reason to believe that any application will be refused or that unreasonable conditions will be imposed;

(i) references in Parts I and II of the Schedule to this Report to any area of land are taken from details shown on searches obtained from the relevant department. It is not possible to verify the accuracy of those areas without conducting a survey;

(j) the information in Parts I and II of the Schedule to this Report is accurate as at the date the relevant Searches were obtained. We cannot comment on whether any changes have occurred in respect of the Tenements between the date of the Searches and the date of this Report;

(k) where Ministerial consent is required in relation to the transfer of any Tenement, we express no opinion as to whether such consent will be granted, or the consequences of consent being refused, although we are not aware of any matter which would cause consent to be refused;

(l) we have not conducted searches of the Priority Sites Register (being a register of contaminated sites) maintained by the Environmental Protection Authority of Victoria;

(m) native title may exist in the areas covered by the Tenements. Whilst we have conducted Searches to ascertain that native title claims and determinations have been lodged in the Federal Court in relation to the areas covered by the Tenements, we have not conducted any research on the likely existence or non-existence of native title rights and interests in respect of those areas. Further, the NTA contains no sunset provisions and it is possible that native title claims could be made in the future; and

(n) whilst all discovered Aboriginal heritage sites or objects (as defined in the Victorian Heritage Act or under the Commonwealth Heritage Act) must be registered under the Victorian Heritage Act, undiscovered Aboriginal heritage sites or objects may exist in the areas covered by the Tenements. We have not conducted any legal, historical, anthropological or ethnographic research regarding the existence or likely existence of any such Aboriginal heritage sites or objects within the area of the Tenements.

10. CONSENT

This report is given for the benefit of the Company and the directors of the Company in connection with the issue of the Prospectus and is not to be disclosed to any other person or used for any other purpose or quoted or referred to in any public document or filed with any government body or other person without our prior consent.

Yours faithfully

Steinepreis Paganin

STEINEPREIS PAGANIN

PART I –TENEMENT SCHEDULE

TENEMENT	REGISTERED HOLDER / APPLICANT	INTEREST	GRANT DATE (APPLICATION DATE)	EXPIRY DATE	AREA SIZE	LAND STATUS	MINIMUM ANNUAL EXPENDITURE	ENCUMBRANCES/ DEALINGS	BOND	NATIVE TITLE CLAIMS	PERMITTED MINERALS	NOTES
EL3019	Stavely Minerals Limited	100%	21/12/1989	21/12/2014	42 Graticular Sections	Crown and private land and road and road reserves	$57,000	A, B, E	$10,000	VC2012/001 Eastern Maar People Native Title Claim	Gold/ Silver/ Platinum	1 - 9
EL4758	Stavely Minerals Limited	100%	29/01/2004	28/01/2014 Current status - pending renewal	12 Graticular Sections	Private land and road and road reserves	$21,000	A, B, E	$10,000	VC2012/001 Eastern Maar People Native Title Claim	Gold/ Silver/ Platinum	1 - 6
ELA5477	Stavely Minerals Limited	100%	(26/04/2013)	Not Applicable	86 Graticular Sections	Private land and road and road reserves	Not Applicable	-	-	VC2012/001 Eastern Maar People Native Title Claim VI2004/008 Wotjobaluk, Jaadwa, Jadawadjali, Wergaia and Jupagulk ILUA	Gold/ Silver/ Platinum/ Base Metal (Cu, Pb, Zn)	-
ELA5486	Stavely Minerals Limited	100%	(21/06/2013)	Not Applicable	2 Graticular Sections	Crown and private land and road and road reserves	Not Applicable	-	-	-	Gold/ Silver/ Platinum/ Base Metal (Cu, Pb, Zn)	-
ELA5487	Stavely Minerals Limited	100%	(21/06/2013)	Not Applicable	5 Graticular Sections	Crown and private land and road and road reserves	Not Applicable	-	-	VC2012/001 Eastern Maar People Native Title Claim	Gold/ Silver/ Platinum, Base Metal (Cu, Pb, Zn)	-
RLA2011	Stavely Minerals Limited	100%	(14/08/2013)	Not Applicable	1274.30 hectares	Crown and private land and road and road reserves	Not Applicable	-	-	No data found by NNTT	Gold/ Silver/ Base Metal (Cu, Pb, Zn)	-

TENEMENT	REGISTERED HOLDER / APPLICANT	INTEREST	GRANT DATE (APPLICATION DATE)	EXPIRY DATE	AREA SIZE	LAND STATUS	MINIMUM ANNUAL EXPENDITURE	ENCUMBRANCES/ DEALINGS	BOND	NATIVE TITLE CLAIMS	PERMITTED MINERALS	NOTES
EL4556	Stavely Minerals Limited	100%	05/04/2001	05/04/2014	139 Graticular Sections	Private land and road and road reserves	$154,000	A, B, C, D, E	$10,000	VC2012/001 Eastern Maar People Native Title Claim	Gold/ Silver/ Platinum	1 - 5, 8 - 11
EL5471	Stavely Minerals Limited	100%	17/06/2013	16/06/2016	15 Graticular Sections	Private land and road and road reserves	$17,250	-	-	VC2012/001 Eastern Maar People Native Title Claim	Gold/ Silver/ Platinum/ Base Metal (Cu, Pb, Zn)	1 - 4, 9, 12 - 15
EL5470	Stavely Minerals Limited	100%	17/06/2013	16/06/2018	475 Graticular Sections	Private land and road and road reserves	$82,650	-	-	VC2012/001 Eastern Maar People Native Title Claim	Gold/ Silver/ Platinum/ Base Metal (Cu, Pb, Zn)	1 - 4, 9, 12 - 15

Unless otherwise indicated, capitalised terms have the same meaning given to them in the Prospectus.

Key to Tenement Schedule

EL – Exploration Licence

ELA – Exploration Licence Application

RLA – Retention Licence Application

Encumbrances/Dealings:

A. Asset Sale Agreement between the Company and BCD Metals Pty Ltd dated 25 March 2013. Refer to Part III of this Schedule for further details of this agreement.

B. Security Deed between the Company and BCD Metals Pty Ltd dated 17 May 2013. Refer to Part III of this Schedule for further details of this agreement.

C. Royalty Deed between New Challenge Resources Pty Ltd and Beaconsfield Gold NL (now named BCD Resources NL) dated 15 July 2005, as varied and assigned to the Company pursuant to a Variation and Option Deed dated 29 August 2008, a Deed of Variation dated 29 June 2010 and a Deed of Consent, Assignment and Assumption of Contract dated 17 May 2013. Refer to Part III of this Schedule for further details of this agreement.

D. Ground Lease dated 11 November 2008 between Peter and Denise Remfry and Beaconsfield Gold Mines Pty Ltd (now BCD Metals Pty Ltd), as assigned to the Company pursuant to a Deed of Consent and Assignment of Lease dated 17 May 2013. Refer to Part III of this Schedule for further details of this agreement.

E. Compensation Agreement. Refer to Part III of this Schedule for further details of this agreement.

NOTES:

1. The Tenement is granted subject to the General Conditions set out in Part A below.
2. Only low impact exploration work may be undertaken on the licensed area until the licensee has an approved work plan.
3. Activities on the licensed area must be limited to those specified in the Act and the licence.
4. The licensee must report immediately in writing to the Department Head the discovery of minerals potentially capable of production in commercial quantities.
5. Prior consent from the Crown land manager must be obtained before any work on restricted Crown land can occur (s.44).
6. The reporting date is 31 December annually.
7. The licence is renewed subject to the completion of the following work activities:
   - Ground EM surveys; and
   - RC (approx 4,000 metres) and Diamond (approx 2,000 metres) drilling program,

   in order to prepare a mineralisation report prior to the expiry of the renewal term.
8. The program of work may be varied with the agreement of the Minister. This does not apply if the variation only involves work which is additional to that described in the program of work.
9. During the term of the licence, the Minister may request updated details of the proposed program of work to be provided by a specified date. The licence holder must comply with any such request.
10. The licensee must undertake work in accordance with the program of work supporting the renewal application, which includes:
    - Completion of aircore/RC drilling program;
    - Geophysical surveys of the Thursdays Gossan porphyry and Patanga prospect; and
    - Reverse circulation and/or diamond drilling at Junction 1.
11. The reporting date is 30 June annually.
12. The reporting date is 31 March annually.
13. The licence holder must not undertake, cause or allow the undertaking of any exploration for coal bed methane without the express consent of the Executive Director Earth Resources Regulation.
14. The program of work submitted with the licence application must be completed, in accordance with any schedule included in that program of work.
15. The program of work, including scheduling, may only be varied with the agreement of the Minister. This does not apply if the variation only involves work which is additional to that described in the program of work.

PART A GENERAL CONDITIONS

1. ADMINISTRATIVE ARRANGEMENTS

1.1. The licensee must ensure that the relevant Earth Resources Regulation (**ERD**) district manager is at all times aware of the appropriate contact person for activities conducted under an exploration licence.

1.2. Where work is approved by an area work plan, the licensee must submit a written work schedule for any program of work. The work schedule must be submitted to the relevant ERD District Manager and the Crown Land Manager (for work on crown land) at least twenty-one (21) days prior to the commencement of work. The licensee must comply with any request by the relevant ERD District Manager to defer, cease or modify the proposed works.

2. COMMUNITY ENGAGEMENT

2.1. The licensee must identify their communities for the proposed operation and consult with the identified communities.

3. NATIVE VEGETATION AND FAUNA

3.1. The licensee must take all reasonable measures to avoid, minimise and/or offset the removal and disturbance of native vegetation and faunal habitats.

4. BOX IRONBARK REGION

4.1. Where activities are proposed to be undertaken in a box-ironbark region, the licensee must undertake a preliminary assessment of vegetation and faunal habitats of areas of interest in that box-ironbark region to identify and mark areas or sites to be avoided in the exploration project.

5. PUBLIC LIABILITY INSURANCE

5.1. Prior to commencing any work, the licensee must have public liability insurance that covers all work authorised under the licence and ensure the insurance is valid at all times while work occurs under the licence,

6. PUBLIC SAFETY ZONES

6.1. The licensee must take all reasonable measures to minimise their impact on the operation of a public safety zone.

7. SOIL MANAGEMENT

7.1. The licensee must take all reasonable measures to minimise impacts on the physical and biological health of soil.

8. PLANT DISEASES, WEEDS AND PEST ANIMALS

8.1. The licensee must ensure that all soil that is imported into the exploration licence area is free of disease and noxious weeds.

8.2. The licensee must take all reasonable measures to minimise the spread of weeds, pest animals and plant diseases whilst undertaking exploration activities.

8.3. The licensee must adhere to any biosecurity protocols that have been adopted on private or crown land.

9. WATER QUALITY AND AQUATIC HABITAT

9.1. The licensee must design, install and maintain erosion and sediment controls to prevent erosion of areas of disturbed land and sedimentation of waterways.

9.2. Where exploration activities are being conducted in waters or on the banks of waterways with water in them, the licensee must take all reasonable measures to minimise sedimentation of the waterway.

9.3. The licensee must take all reasonable measures to prevent contaminated runoff from entering receiving waterways.

10. FUELS, LUBRICANTS AND HAZARDOUS MATERIALS

10.1. The licensee must take all reasonable measures to prevent contamination of the environment by the release of fuels, lubricants and hazardous materials.

10.2. The licensee must ensure that spills of hazardous materials are cleaned up as quickly as practicable. Such spillage must not be cleaned up by hosing, sweeping or otherwise releasing such contaminant into waterways.

10.3. Within the box ironbark region, the licensee must install trays or similar apparatus beneath machinery to protect the soil and vegetation from oil/fuel leaks or spills.

11. ABORIGINAL CULTURAL HERITAGE

11.1. The licensee must ensure aboriginal cultural heritage is not harmed as a result of works undertaken within the licence area.

11.2. Within areas where exploration works, other than low impact, are proposed on crown land in the box ironbark region, an assessment of aboriginal cultural heritage values must be undertaken.

12. HERITAGE (NON-INDIGENOUS)

12.1. The licensee must ensure non-indigenous cultural heritage is not harmed as a result of works undertaken within the licence area.

12.2. Within areas where exploration works, other than low impact, are proposed on crown land in the box ironbark region, an assessment of non-indigenous cultural heritage values must be undertaken.

13. FIRE PRECAUTION

13.1. The licensee must take all reasonable measures to prevent the ignition and spread of fire.

13.2. Prior to undertaking any exploration activities, the licensee must develop and implement a fire response and readiness plan.

14. WASTE AND REDUNDANT EQUIPMENT

14.1. The licensee must ensure all waste generated on site is disposed of at an appropriate waste management facility.

15. CAMPING

15.1. The licensee may only establish campsites with the permission of the crown land manager or private land owner/occupier.

15.2. The licensee must select, establish and manage campsites to minimise risks to the environment and/or the health and safety of people.

16. NOISE

16.1. Within the licensed area, the licensee must ensure that noise generated by exploration activities does not exceed limits set by the environment protection authority, Victoria and the local council.

16.2. The licensee must take all reasonable measures to avoid causing nuisance noise.

17. AIR EMISSIONS, DUST AND LIGHTING

17.1. The licensee must take all reasonable measures to prevent adverse impacts as a result of the release of dust, odour and/or emission of light.

18. LIVESTOCK, DOMESTIC ANIMALS AND CROPS

18.1. The licensee must take all reasonable measures to prevent adverse impacts to livestock and crops.

19. GEOPHYSICAL AND GEOCHEMICAL SURVEYS AND GRIDLINES

19.1. In designing and constructing geophysical and geochemical surveys, the licensee must take all reasonable measures to prevent adverse impacts to the environment and/or the health and safety of people.

19.2. Prior to designing and constructing geophysical and geochemical surveys, the licensee must consult with the crown land manager and/or private land owner/occupier about the position of gridlines and geophysical lines.

20. EXPLOSIVES

20.1. When using explosives or high electrical currents, all reasonable measures must be taken to prevent harm or disturbance to people, domestic animals, livestock and wildlife.

21. TRACKS AND ROADS

21.1. In designing and constructing tracks and roads, the licensee must take all reasonable measures to prevent adverse impact to the environment.

21.2. Prior to designing and constructing tracks and roads, the licensee must consult with the crown land manager and/or private land owner/occupier about the position of tracks and roads.

22. DRILL SITES, COSTEANS, TRENCHES AND BULK SAMPLING EXCAVATIONS

22.1. The licensee must take all reasonable measures to prevent adverse impacts of establishing costeans, drill holes, bulk sample excavations and trenches to the environment and/or the health and safety of people.

23. DRILLHOLE OPERATIONS, CONSTRUCTION AND DECOMMISSIONING

23.1. The licensee must ensure that all reasonable measures are taken to minimise the impacts of drilling operations and that the operations are conducted in a manner that ensures protection of the environment, human health and amenity.

23.2. The licensee must prevent contamination of aquifers as a result of drilling operations.

23.3. The licensee must ensure that where a drillhole is to be left open overnight or longer, a temporary cap is fitted.

23.4. The licensee must ensure that when drilling for coal bed methane (cbm) the blowout prevention equipment (including accumulators) of a well is installed, operated, maintained and pressure tested.

23.5. The licensee must ensure that the permanent abandonment of cbm wells include the installation of appropriate concrete surface plugs to ensure the integrity of the well and formations.

23.6. The licensee must ensure that accurate records of decommissioning procedures are kept to provide future reference, and to demonstrate to the department of primary industries that the drillholes have been satisfactorily plugged and abandoned.

24. UNDERGROUND EXPLORATION

24.1. The licensee must ensure that during underground exploration and development works, access shafts, adits and declines are made safe.

24.2. The licensee must ensure that on completion of underground exploration and development works, access shafts, adits or declines no longer required are permanently closed off and the site made safe for the public and wildlife.

25. REHABILITATION

25.1. The licensee must ensure that disturbed areas are rehabilitated as soon as possible after the completion of exploration works.

25.2. The licensee must ensure that indigenous species used in rehabilitation are sourced from the local area, of local provenance and appropriate to the site's ecological vegetation class (**EVC**).

26. REPORTING, MONITORING AND AUDITING

26.1. The licensee must implement a program for monitoring environmental impacts and rehabilitation.

26.2. The licensee must submit an annual report that includes:
- a report about the environmental management of exploration activities including the results of any environmental audits conducted.
- details of current progressive rehabilitation activities.
- a rehabilitation report detailing completed rehabilitation activities over that year.

26.3. The licensee must notify the department of primary industries as soon as practical of any environmental incident which results in:
- an emission not authorised by licence, work authority or work plan.
- any deviations from conditions or environmental standards outlined for the site.

26.4. Within seven (7) days of an environmental incident, the licensee must prepare and forward a report to the Department of Primary Industries detailing the following information:
- the cause, time and duration of the incident.
- the type, volume and concentration of every pollutant discharged as a result of the incident.
- action taken by the licensee in relation to the incident.
- action taken to prevent any recurrence of the incident.

27. DOCUMENTATION AND RECORDS

27.1. The licensee must record activities undertaken and results arising from the environmental and rehabilitation monitoring program, any auditing undertaken and any complaints received.

27.2. The licensee must ensure that documentation generated through the environmental and rehabilitation monitoring program, auditing and any complaints received is appropriately stored and accessible to relevant personnel and is available upon request by an ERD inspector.

PART II – NATIVE TITLE CLAIMS AND ABORIGINAL HERITAGE

NATIVE TITLE CLAIMS

TRIBUNAL NUMBER	FEDERAL COURT NUMBER	APPLICATION NAME	REGISTERED	STATUS
VC2012/001	VID1085/2012	Eastern Maar People	Yes	Active

ILUAs

TRIBUNAL NUMBER	SHORT NAME	TYPE
VI2004/008	Wotjobaluk, Jaadwa, Jadawadjali, Wergaia and Jupagulk ILUA	Area agreement

ABORIGINAL HERITAGE INFORMATION

TENEMENT/ APPLICATION	Place Number	Name	Easting	Northing	Zone	Component Number	Type
EL3019, EL4758, EL5477, EL5486 and EL5487	7423-0004	Forsters 3	669057.00	5864270.000	54	7423-0004-1	Scarred Tree
	7423-0012	Jacksons Creek	671120.000	5859177.000	54	7423-0012-1	Earth Feature
	7423-0027	Forsters 4	669122.000	5864265.000	54	7423-0027-1	Scarred Tree
	7423-0028	Forsters 5 Mt	669520.000	5864578.000	54	7423-0028-1	Scarred Tree
	7423-0153	Ararat Quarry	665320.000	5867578.000	54	7423-0153-1	Quarry
	7423-0179	Allanvale 6	666618.000	5883972.000	54	7423-0179-1	Scarred Tree
	7423-0342	Rathmore 1	672022.000	5862360.000	54	7423-0342-1	Earth Feature
	7423-0343	Rathmore 2	671954.000	5862223.000	54	7423-0343-1	Earth Feature

	7423-0378	Rhymney Reef 1	664720.000	5880078.000	54	7423-0378-1	Artefact Scatter
	7423-0550	Ramsey 1	664142.000	5872724.000	54	7423-0550-1	Quarry
	7423-0712	Junction Bridge 1	667855.000	5878887.000	54	7423-0712-1	Scarred Tree
	7423-0713	Junction Bridge 2	667869.000	5878850.000	54	7423-0713-1	Scarred Tree
	7423-0735	Armstrong SS II	666970.000	5883518.000	54	7423-0735-1	Artefact Scatter
	7423-0752	Mt Ararat Scarred Tree 1	665379.000	5867446.000	54	7423-0752-1	Scarred Tree
	7423-0756	Byron 1	667973.000	5865376.000	54	7423-0756-1	Scarred Tree
	7423-0757	Byron 2	667619.000	5865714.000	54	7423-0757-1	Scarred Tree
RL2011	7423-0153	Mt Ararat Quarry 2	665320.000	5867578.000	54	7423-0153-1	Quarry
	7423-0550	Ramsey 1	664142.000	5872724.000	54	7423-0550-1	Quarry
	7423-0752	Mt Ararat Scarred Tree 1	665379.000	5867446.000	54	7423-0752-1	Scarred Tree
EL4556	7422-0003	Berrambool	647341.000	5818018.000	54	7422-0003-1	Quarry
	7422-0005	Mt Staveley 1	644620.000	5831577.000	54	7422-0005-1	Artefact Scatter
	7422-0005	Mt Staveley 1	644620.000	5831577.000	54	7422-0005-2	Quarry
	7422-0034	Glen Leigh 1	648970.000	5820978.000	54	7422-0034-1	Earth Feature
	7422-0035	Patanga 1	650520.000	5818377.000	54	7422-0035-1	Scarred Tree
	7422-0036	Patanga 2	650920.000	5818277.000	54	7422-0036-1	Scarred Tree
	7422-0037	Patanga 3	651420.000	5817577.000	54	7422-0037-1	Scarred Tree
	7422-0038	Patanga 4	649720.000	5818877.000	54	7422-0038-1	Earth Feature
	7422-0039	Patanga 5	649520.000	5818077.000	54	7422-0039-1	Scarred Tree
	7422-0053	Mt Staveley 2	643920.000	5831377.000	54	7422-0053-1	Scarred Tree
	7422-0054	Mt Staveley 3	644020.000	5831377.000	54	7422-0054-1	Scarred Tree
	7422-0086	No Name	650120.000	5821177.000	54	7422-0086-1	Scarred Tree
	7422-0091	Corra 2	652120.000	5814777.000	54	7422-0091-1	Scarred Tree
	7422-0129	Corra 2 Co/2 Excavation	651568.000	5813799.000	54	7422-0129-1	Earth Feature
	7422-0130	Corra 3 Co/3 Excavation	651592.000	5813743.000	54	7422-0130-1	Earth Feature
	7422-0131	Corra 5	651623.000	5813779.000	54	7422-0131-1	Earth Feature
	7422-0197	Yet Another Scar	647220.000	5821477.000	54	7422-0197-1	Scarred Tree
	7422-0198	Glen Leigh 1	649123.000	5820798.000	54	7422-0198-1	Scarred Tree
	7422-0199	Glen Leigh 2	649116.000	5820757.000	54	7422-0199-1	Scarred Tree

	7422-0200	Glen Leigh 3	649166.000	5820810.000	54	7422-0200-1	Scarred Tree
	7422-0201	Glen Leigh 4	649183.000	5820774.000	54	7422-0201-1	Scarred Tree
	7422-0202	Glen Leigh 5	649065.000	5820728.000	54	7422-0202-1	Scarred Tree
	7422-0250	Reedy Creek 1	646620.000	5823477.000	54	7422-0250-1	Scarred Tree
	7422-0251	Reedy Creek 2	646420.000	5823177.000	54	7422-0251-1	Stone Feature
	7422-0252	Reedy Creek 3	647133.000	5822564.000	54	7422-0252-1	Scarred Tree
	7422-0253	Reedy Creek 4	648071.000	5822148.000	54	7422-0253-1	Artefact Scatter
	7422-0306	Hopkins Bridge	648120.000	5821677.000	54	7422-0306-1	Scarred Tree
	7422-0309	Frank	643420.000	5828077.000	54	7422-0309-1	Scarred Tree
	7422-0310	Fairview 1	644420.000	5828477.000	54	7422-0310-1	Artefact Scatter
	7422-0342	GlenLeigh 6	648220.000	5821377.000	54	7422-0342-1	Artefact Scatter
	7422-0343	GlenLeigh 7	648466.000	5820778.000	54	7422-0343-1	Artefact Scatter
	7422-0344	Hopkins River Terrace 1	648320.000	5820877.000	54	7422-0344-1	Scarred Tree
	7422-0352	Red Hills 1	645720.000	5832877.000	54	7422-0352-1	Earth Feature
	7422-0355	Berrambool 4	648120.000	5818477.000	54	7422-0355-1	Scarred Tree
	7422-0356	Berrambool 3	648665.000	5819137.000	54	7422-0356-1	Earth Feature
	7422-0357	Berrambool 2/1 Excavation	648965.000	5819258.000	54	7422-0357-1	Earth Feature
	7422-0358	Berrambool 5	647920.000	5818677.000	54	7422-0358-1	Scarred Tree
	7422-0359	Elgin	647820.000	5817077.000	54	7422-0359-1	Earth Feature
	7422-0386	Hopkins R. Terrace 3	648320.000	5820777.000	54	7422-0386-1	Scarred Tree
	7422-0400	Berrambool Valley 2 Hopkins River A	649075.000	5819892.000	54	7422-0400-1	Artefact Scatter
	7422-0400	Berrambool Valley 2 Hopkins River A	649075.000	5819892.000	54	7422-0400-2	Earth Feature
	7422-0402	Hopkins River B	648576.000	5819071.000	54	7422-0402-1	Artefact Scatter
	7422-0402	Hopkins River B	648576.000	5819071.000	54	7422-0402-2	Quarry
	7422-0416	Berrambool Valley 1	649020.000	5819377.000	54	7422-0416-1	Artefact Scatter
	7422-0418	Berrambool Valley 3	649022.000	5819628.000	54	7422-0418-1	Artefact Scatter
	7422-0418	Berrambool Valley 3	649022.000	5819628.000	54	7422-0418-2	Earth Feature
	7422-0419	Berrambool Valley 4	648920.000	5819477.000	54		Artefact Scatter

	7422-0420	Berrambool Valley 5	648849.000	5819151.000	54		Artefact Scatter
	7422-0421	Berrambool Valley 6	648520.000	5818877.000	54		Artefact Scatter
	7422-0422	Berrambool Valley 7	648650.000	5819092.000	54		Artefact Scatter
	7422-0423	Berrambool Valley 8	649020.000	5819477.000	54		Artefact Scatter
	7422-0424	Berrambool Valley 9	648920.000	5819677.000	54		Earth Feature
	7422-0425	Berrambool Valley 10	648920.000	5819377.000	54		Scarred Tree
	7422-0426	Berrambool Valley 11	649208.000	5819586.000	54		Scarred Tree
	7422-0427	Berrambool Valley 12	648892.000	5819193.000	54		Scarred Tree
	7422-0453	Jenkinson Scar Tree	640520.000	5838378.000	54		Scarred Tree
	7422-0456	McIntyre Axe 1	652120.000	5817877.000	54		Artefact Scatter
	7422-0457	KP/3	650347.000	5817469.000	54		Artefact Scatter
	7422-0458	Jenkinson Swamp 1	639663.000	5838205.000	54		Artefact Scatter
	7422-0462	Island Site 1	648120.000	5821877.000	54		Artefact Scatter
	7422-0465	KP 4	650285.000	5817494.000	54		Artefact Scatter
	7422-0466	KP 5	650520.000	5817377.000	54		Earth Feature
	7422-0467	KP 2	649920.000	5817377.000	54		Artefact Scatter
	7422-0469	McIntyre M/1	651805.000	5818188.000	54		Earth Feature
	7422-0472	Staughton 1	647244.000	5822336.000	54		Earth Feature
	7422-0484	McIntyre M/2	651770.000	5818109.000	54		Earth Feature
	7422-0485	McIntyre M/3	651752.000	5818059.000	54		Earth Feature
	7422-0495	Island Site 2	648078.000	5821956.000	54		Earth Feature
	7422-0496	Jenkinson Swamp 2	639721.000	5838262.000	54		Earth Feature
	7422-0497	Jenkinson Swamp 3	639695.000	5838399.000	54		Earth Feature
	7422-0498	Jenkinson Swamp 4	639642.000	5838313.000	54		Earth Feature
	7422-0499	Jenkinson Swamp 5	639765.000	5838132.000	54		Earth Feature
	7422-0500	Jenkinson Swamp 6	639855.000	5838022.000	54		Earth Feature
	7422-0501	Jenkinson Swamp 7	639958.000	5838056.000	54		Earth Feature
	7422-0502	Jenkinson Swamp 8	640028.000	5838127.000	54		Earth Feature
	7422-0503	Jenkinson Swamp 9	640119.000	5838090.000	54		Earth Feature
	7422-0504	Jenkinson Swamp 10	640134.000	5837960.000	54		Earth Feature

	7422-0510	Staughton 2	647320.000	5822277.000	54		Earth Feature
	7422-0511	Reedy Creek Quarry Quarry - Staughton	647954.000	5821841.000	54		Quarry
	7422-0538	Wickliffe Burial	649120.000	5822077.000	54		Aboriginal Human Remains (Burial)
	7422-0557	Hucker's Pit 1	649110.000	5821422.000	54		Artefact Scatter
	7422-0558	Hucker's Pit 2	648675.000	5821895.000	54		Artefact Scatter
	7423-0161	Yarram 1	635720.000	5850878.000	54		Earth Feature
	7423-0486	Toolshed Ramp	635720.000	5850978.000	54		Earth Feature
EL5471	7422-0506	McCulloch 1	640220.000	5826877.000	54	7422-0506-1	Artefact Scatter
	7422-0565	Oaklands Batching Plant	636357.000	5827820.000	54	7422-0565-1	Artefact Scatter
	7422-0565	Oaklands Batching Plant	636357.000	5827820.000	54	7422-0565-2	Object Collection
EL5470	7421-0004	Pejark Marsh	668020.000	5767177.000	54	7421-0004-1	Earth Feature
	7421-0005	Glenormiston	671420.000	5773977.000	54	7421-0005-1	Aboriginal Human Remains (Burial)
	7421-0067	Kolora 1	665920.000	5778977.000	54	7421-0067-1	Earth Feature
	7421-0183	Mortlake 1	662970.000	5785877.000	54	7421-0183-1	Artefact Scatter
	7421-0184	Mortlake 2	662520.000	5785777.000	54	7421-0184-1	Artefact Scatter
	7421-0188	Mt Noorat 1	669720.000	5773067.000	54	7421-0188-1	Artefact Scatter
	7421-0192	Websters Homestead	658103.000	5781417.000	54	7421-0192-1	Artefact Scatter
	7421-0193	Terang Fish Trap 98/1	668030.000	5765002.000	54	7421-0193-1	Stone Feature
	7421-0205	The Sisters As 1	656603.000	5771839.000	54	7421-0205-1	Artefact Scatter
	7421-0206	The Sisters As 2	658143.000	5772526.000	54	7421-0206-1	Artefact Scatter

PART III – MATERIAL CONTRACT SUMMARIES

A. ASSET SALE AGREEMENT

On 25 March 2013, the Company entered into an asset sale agreement (**Asset Sale Agreement**) with BCD Metals Pty Ltd (formerly named Beaconsfield Gold Mines Pty Ltd) (**BCD**) pursuant to which BCD agreed to sell, and the Company agreed to purchase:

(a) BCD's interest in Exploration Licences 3019, 4556 and 4768 (**BCD Tenements**);

(b) BCD's rights under certain compensation agreements covering private land overlapping the BCD Tenements;

(c) all of BCD's interest in the fixed assets and chattels on the BCD Tenements; and

(d) the mining and other information relating to the BCD Tenements in the possession or control of BCD,

(together, the **Assets**).

Completion of the Asset Sale Agreement occurred on 17 May 2013 (**Completion**) and all of the BCD Tenements have been registered in the name of the Company.

The Asset Sale Agreement contains the following material terms which remain applicable to the Company's interest in the BCD Tenements:

(a) (**Consideration**): pursuant to the terms of the Asset Sale Agreement, the consideration for the Assets (**Consideration**) is payable by the Company in five tranches as follows (four of which have been paid by the Company as at the date of this Report):

(i) $1,000,000 at Completion;

(ii) $300,000 on the date which is 90 days after Completion;

(iii) $500,000 on the date which is 180 days after Completion;

(iv) $500,000 on the date which is 270 days after Completion; and

(v) on the date which is 360 days after Completion (being 12 May 2014), either:

(A) if the Company has been listed on ASX for at least 20 days as at 12 May 2014, either, at the election of BCD:

(I) the issue of fully paid ordinary shares in the Company (**Shares**) to the value of $500,000 at a deemed issue price equal to the volume weighted average trading price of Shares on ASX over the 20 days prior to 12 May 2014; or

(II) a cash payment of $500,000; or

(B) if the Company has not been listed on ASX for at least 20 days as at 12 May 2014, a cash payment of $500,000;

(b) (**Security interest**): to secure the Company's obligations to pay the Consideration as described above, the Company has granted a security interest over the Assets in favour of BCD as described in Section B below;

(c) (**Warranties in favour of the Company**): the Asset Sale Agreement contains the following warranties provided by BCD to the Company in relation to the Assets:

(i) there are no material third party agreements relating to the BCD Tenements which are still in effect;

(ii) to the best of BCD's knowledge, after conducting all due searches and enquiries to ensure the truthfulness, accuracy and completeness of this warranty, there are no compensation agreements relating to the BCD Tenements, other than the compensation agreements identified in the Asset Sale Agreement, which are still in effect;

(iii) BCD is the sole legal and beneficial owner of the Assets;

(iv) no person other than the Company has a right to acquire an interest in the Assets;

(v) the Assets are free from and not subject to any encumbrance;

(vi) there is no litigation nor are there any proceedings of any nature concerning the Assets, pending or threatened;

(vii) the BCD Tenements are in all respects valid, effective and in good standing and not liable to forfeiture or surrender;

(viii) no person other than the Company has the right to conduct exploration or mining activities on any part of the BCD Tenements or use the fixed assets on the BCD Tenements;

(ix) there are no contamination liabilities with respect to the BCD Tenements;

(x) BCD is not in breach of any environmental law with respect to the BCD Tenements;

(xi) to the best of BCD's knowledge, after conducting all due searches and enquiries to ensure the truthfulness, accuracy and completeness of this warranty, BCD is not in breach of the applicable compensation agreements, the Ground Lease or the Royalty Deed; and

(xii) BCD has not deliberately disclosed material to the Company which is misleading or failed to disclose any adverse information relating to the Assets; and

(d) (**Limitations on warranty claims**): BCD shall not be liable to the Company in connection with a breach of the above warranties in the following circumstances:

(i) where the circumstances giving rise to the breach were known to the Company as at the date of the Asset Sale Agreement;

(ii) unless the amount payable in respect of the claim or aggregate of all claims for breach of warranty exceeds $100,000;

(iii) unless the Company has given notice of the claim for breach of warranty within 12 months of Completion; or

(iv) to the extent the amount payable in respect of claims against BCD exceed 50% of the Consideration.

B. SECURITY DEED

Pursuant to a security deed dated 17 May 2013 (**Security Deed**) between the Company and BCD, the Company has granted a security to BCD over the Assets (as defined in the Asset Sale Agreement) to secure the payment of the Consideration and other collateral obligations as required pursuant to the Asset Sale Agreement (**Secured Obligations**), on the following material terms:

(a) (**Nature of security**): the security interest shall be comprised of:

(i) a security interest (as defined in the *Personal Property Securities Act 2009 (Cth)* (**PPSA**)) over all property the subject of the Assets which is capable of being the subject of a security interest under the PPSA; and

(ii) a fixed charge over all property the subject of the Assets which is not covered by the security interest referred to in paragraph (i) above;

(b) (**Event of default**): it is an event of default under the Security Deed if:

(i) (**breach of Asset Sale Agreement**): the Company fails to comply with a material provision of the Asset Sale Agreement and such failure is not remedied within 14 days of receipt of notice to remedy the default;

(ii) (**non performance**): the Company fails to perform any of the Secured Obligations and such non-performance is either not capable of being remedied or is not remedied within 14 days of receipt of notice to remedy the non-performance;

(iii) (**cross-default**): any other financial accommodation of the Company or any subsidiary of the Company becomes repayable before its due date other than at the Company's option;

(iv) (**misrepresentation**): any representation, warranty or statement made by the Company in connection with any transaction document is untrue or misleading (whether by omission or otherwise) in any material respect when made;

(v) (**Insolvency Event**): an insolvency event occurs in respect of the Company;

(vi) (**material adverse effect**): an event or a change occurs which could, or could in the opinion of BCD, have a material adverse effect on the Company's ability to perform its obligations under the Security Deed;

(vii) (**Security Interest**): the Company or any of its subsidiaries creates or permits to exist any additional security interest over any of the Assets without BCD's prior written consent (not to be unreasonably withheld);

(viii) (**distress of execution**): any distress, attachment, execution, judgment or other process is levied, issued, enforced or obtained on or against any of the Assets;

(ix) (**priority**): without the prior written consent of BCD, the Security Deed does not have, or ceases to have its intended priority or any security interest fails to attach under the Security Deed to any property that is intended to be the subject of the Security Deed;

(x) (**inability to perform**): the Company ceases for any reason to be able lawfully to carry out all the transactions which the Security Deed contemplates may be carried out by it;

(xi) (**provisions void**): all or any material provision of the Security Deed is or becomes void, voidable, illegal or unenforceable or of limited force (other than because of equitable principles or laws affecting creditors' rights generally); or

(xii) (**change of control**): without the prior written consent of BCD (not to be unreasonably withheld), there is a change in the identity of any of the persons who are able to control more than half the voting rights, or the composition of the board of directors of the Company;

(c) (**Consequence of an Event of Default**): if an event of default (as described above) occurs:

(i) the Consideration, together with any applicable default interest, shall become immediately payable by the Company;

(ii) the Security Deed shall become immediately enforceable; and

(iii) BCD shall become immediately entitled to deal with the Assets, including:

(A) doing anything in the Company's name and exercising any right which the Company could do in relation to the Assets;

(B) appointing any person as a receiver or receiver and manager of any of the Assets;

(C) exercising any of the powers that might be exercised by a receiver even if a receiver has not been appointed; or

(D) complete any transfer or instrument of any nature executed by or on behalf of the Company, in favour of BCD or any other person;

(d) (**Company covenants**): the Company has provided a number of undertakings to BCD relating its status and to the status of the Assets, including undertakings to refrain from dealing in any way with, or granting security over, the Assets except with the consent of BCD.

C. ROYALTY DEED

Pursuant to a Royalty Deed dated 15 July 2005 between New Challenge Resources Pty Ltd (**New Challenge**) and Beaconsfield Gold NL (now named BCD Resources NL):

(a) as varied by a Variation and Options Deed dated 29 August 2008 between New Challenge and BCD, and by a Deed of Variation between New Challenge and BCD dated 29 June 2010; and

(b) as assigned by Beaconsfield Gold NL to BCD pursuant to an Assignment Deed dated 30 November 2005, and assigned by BCD to the Company pursuant to a Deed of Consent, Assignment and Assumption of Contract dated 17 May 2013,

the Company shall be obliged to pay to New Challenge a royalty of 3% of the proceeds from the sale of gold and/or minerals derived from material mined from EL 4556 (or any other tenement granted in respect of the present area of that tenement, including by way of conversion) (**Royalty**). The obligation to pay the Royalty shall commence on the date on which dore and/or concentrate from EL 4556 are first delivered to the refinery.

The Company has an option to redeem two thirds of the Royalty (**Royalty Option**) on the following terms:

(a) the Royalty Option expiry date is currently 31 July 2014. However this may be extended by two additional periods each of one year, if the Company elects to extend the Royalty Option period and to pay New Challenge $30,000 (excluding GST) in respect of each one year extension;

(b) the exercise price of the Royalty Option is $500,000 (excluding GST); and

(c) upon the exercise of the Royalty Option, New Challenge shall retain a 1% royalty on the proceeds of sale of gold and/or minerals from EL 4556.

D. GROUND LEASE

Pursuant to a ground lease between Peter and Denise Remfry (together, the **Landlord**) and BCD dated 11 November 2008 (**Ground Lease**), as assigned by BCD to the Company pursuant to a Deed of Consent and Assignment of Lease dated 17 May 2013, the Landlord has agreed to lease a part of Crown Allotment 6 Section A, Parish of Nanpundah, to the Company. The premises the subject of the Ground Lease overlaps part of EL 4556. The material terms of the Ground Lease are as follows:

(a) (**Term**): the term of the Ground Lease currently expires on 30 November 2015. The Company has the ability to renew the Ground Lease for a further two years,

subject to the Company being in compliance with the terms of the Ground Lease at the time of renewal;

(b) (**Rent**): the current rent payable by the Company to the Landlord for the Ground Lease is $11,006.16 per annum. The rent shall be subject to an annual rent review based on the consumer price index;

(c) (**Permitted use**): the Company is permitted to engage in exploration activities, construction and the use of a storage shed on the leased premises;

(d) (**Insurance**): the Company must maintain public liability insurance for $10,000,000, industrial special risk insurance and workers' compensation insurance for the term of the Ground Lease; and

(e) (**Default**): the Landlord may terminate the Ground Lease if the Company:

(i) fails to pay any outstanding rent within 14 days of receipt of a written notice from the Landlord to pay the outstanding rent;

(ii) fails or refuses to carry out any repairs property required within 28 days of receipt of a written notice from the Landlord to do so; or

(iii) fails to remedy any other breach of the Ground Lease within 21 days of receipt of a written notice from the Landlord to do so.

E. TENEMENT COMPENSATION AGREEMENTS

Exploration licences EL 3019, EL 4758 and EL 4556 are subject to compensation agreements, pursuant to which the Company must compensate the relevant Owner/Occupier in accordance with the schedule of compensation payments as set out in the compensation agreement.

The key details of the compensation agreements and the compensation payments are set out in the table below.

Tenement	Name of Owner/ Occupier	Date of Agreement	Activity	Payment
EL 4556	Ian Price	1 December 2008	Per Diamond Core Drill Hole	$200.00
			Per Reverse Circulation Drill Hole	$100.00
			Per Rotary Air Blast Drilling/Air Core	$50.00
			Per Rotary Auger Drill Hole	$0.50
			Costeaning	-
			Backhoe Trenching	-
			Ditch-Witch Channelling	-
			Use of Property (inc. low impact exploration)	-
			Other – Annual Fees	$500.00

Tenement	Name of Owner/ Occupier	Date of Agreement	Activity	Payment
EL 4556	Neil Vallance	1 December 2005*	Per Diamond Core Drill Hole	$200.00
			Per Reverse Circulation Drill Hole	$200.00
			Per Rotary Air Blast Drilling/Air Core	$20.00
			Per Rotary Auger Drill Hole	$0.50
			Costeaning	-
			Backhoe Trenching	-
			Ditch-Witch Channelling	-
			Use of Property (inc. low impact exploration)	-
			Other – Annual Fee	$500.00
EL 4556	A Elliot	1 December 2005*	Per Diamond Core Drill Hole	$200.00
			Per Reverse Circulation Drill Hole	$200.00
			Per Rotary Air Blast Drilling/Air Core	$20.00
			Per Rotary Auger Drill Hole	$0.50
			Costeaning	-
			Backhoe Trenching	-
			Ditch-Witch Channelling	-
			Use of Property (inc. low impact exploration)	-
			Other – Annual Fee	$500.00
EL 4556	Peter Remfry	1 December 2005*	Per Diamond Core Drill Hole	$200.00
			Per Reverse Circulation Drill Hole	$200.00
			Per Rotary Air Blast Drilling/Air Core	$20.00
			Per Rotary Auger Drill Hole	$0.50
			Costeaning	-
			Backhoe Trenching	-
			Ditch-Witch Channelling	-
			Use of Property (inc. low impact exploration)	-
			Other – Annual Fee	$500.00
EL4556	Duncan Giles	1 December 2005*	Per Diamond Core Drill Hole	$200.00
			Per Reverse Circulation Drill Hole	$200.00
			Per Rotary Air Blast Drilling/Air Core	$20.00
			Per Rotary Auger Drill Hole	$0.50
			Costeaning	-
			Backhoe Trenching	-

Tenement	Name of Owner/ Occupier	Date of Agreement	Activity	Payment
			Ditch-Witch Channelling	-
			Use of Property (inc. low impact exploration)	-
			Other – Annual Fee	$500.00
EL 4758 and EL 3019	Ken Hinchliffe	26 November 2009	Per Diamond Core Drill Hole	$200.00
			Per Reverse Circulation Drill Hole	$100.00
			Per Rotary Air Blast Drilling/Air Core	$50.00
			Per Rotary Auger Drill Hole	$0.50
			Costeaning	-
			Backhoe Trenching	-
			Ditch-Witch Channelling	-
			Use of Property (inc. low impact exploration)	$10.00 per day
			Other – Annual Fee	$500.00
			Signing of Agreement	$100.00
EL 4758 and EL 3019	Robert Harricks	2 September 2009	Per Diamond Core Drill Hole	$200.00
			Per Reverse Circulation Drill Hole	$100.00
			Per Rotary Air Blast Drilling/Air Core	$50.00
			Per Rotary Auger Drill Hole	$0.50
			Costeaning	-
			Backhoe Trenching	-
			Ditch-Witch Channelling	-
			Use of Property (inc. low impact exploration)	$10.00 per day
			Signing of Compensation Agreement	$100.00
EL 4758 and EL 3019	John Billets	28 August 2009	Per Diamond Core Drill Hole	$200.00
			Per Reverse Circulation Drill Hole	$100.00
			Per Rotary Air Blast Drilling/Air Core	$50.00
			Per Rotary Auger Drill Hole	$0.50
			Costeaning	-
			Backhoe Trenching	-
			Ditch-Witch Channelling	-
			Use of Property (inc. low impact exploration)	$10.00 per day
			Signing of Compensation Agreement	$100.00

Tenement	Name of Owner/ Occupier	Date of Agreement	Activity	Payment
EL 4556	Alan Bowes	27 March 2002	Per Diamond Core Drill Hole	$200.00
			Per Reverse Circulation Drill Hole	$100.00
			Per Rotary Air Blast Drilling/Air Core	$50.00
			Per Rotary Auger Drill Hole	-
			Costeaning	-
			Backhoe Trenching	-
			Ditch-Witch Channelling	-
			Other – Annual Fee	$500.00
EL 4556	Paul Brady and Eileen Brady	31 March 2007	Per Diamond Core Drill Hole	$200.00
			Per Reverse Circulation Drill Hole	$100.00
			Per Rotary Air Blast Drilling/Air Core	$50.00
			Per Rotary Auger Drill Hole	$0.50
			Costeaning	-
			Backhoe Trenching	-
			Ditch-Witch Channelling	-
			Use of Property (inc. low impact exploration)	$10.00 per day
			Other – Annual Fee	$500.00
EL 4556	Martin Gellert	11 January 2009	Per Diamond Core Drill Hole	$200.00
			Per Reverse Circulation Drill Hole	$100.00
			Per Rotary Air Blast Drilling/Air Core	$50.00
			Per Rotary Auger Drill Hole	$0.50
			Costeaning	-
			Backhoe Trenching	-
			Ditch-Witch Channelling	-
			Use of Property (inc. low impact exploration)	-
			Other – Annual Fee	-
EL 4556	Robert Murch	6 October 2009	Per Diamond Core Drill Hole	$200.00
			Per Reverse Circulation Drill Hole	$100.00
			Per Rotary Air Blast Drilling/Air Core	$50.00
			Per Rotary Auger Drill Hole	$0.50
			Costeaning	-
			Backhoe Trenching	-
			Ditch-Witch Channelling	-
			Use of Property (inc. low impact	$10.00 per day

Tenement	Name of Owner/ Occupier	Date of Agreement	Activity	Payment
			exploration)	
			Other – Annual Fee	$500.00
EL 4758 and EL 3019	Western District Pastoral 6	2 December 2009	Per Diamond Core Drill Hole	$200.00
			Per Reverse Circulation Drill Hole	$100.00
			Per Rotary Air Blast Drilling/Air Core	$50.00
			Per Rotary Auger Drill Hole	$0.50
			Costeaning	-
			Backhoe Trenching	-
			Ditch-Witch Channelling	-
			Use of Property (inc. low impact exploration)	$10.00 per day, $50 per day for diamond core
			Signing of Compensation Agreement	$100.00

* Note: The copies of these agreements which we reviewed for the purpose of this Report were not signed. Pursuant to the Asset Sale Agreement, BCD assigned these agreements to Stavely, and Stavely has confirmed that these Owners/Occupiers were contacted to advise them of the assignment of the relevant Tenement to Stavely. In the event that no binding agreement exists between Stavely and these Owners/Occupiers, Stavely may be required to re-seek the consent of the relevant Owner/Occupier prior to conducting any exploration activities on the affected areas. Please refer to Section 6 of this Report for further information regarding the requirement to obtain consent of Owners/Occupiers of private land.

The other material terms of the compensation agreements are as follows:

(a) (**Conduct of exploration**):

(i) the Company may only conduct exploration on the area covered by the agreement, bring onto or remove from the area covered by the agreement by way of the approved paths of entry, such equipment, vehicles, employees and contractors as may reasonably be required to conduct any exploration, during the work times specified in accordance with the compensation agreement; and

(ii) if the Company contravenes the compensation agreement the Owner/Occupier may bring a dispute action before the Warden seeking remedy of the contravention;

(b) (**Conditions to be observed by the Company**):

(i) the Company will ensure that its employees and contractors will at all times:

(A) observe the provisions of the standard conditions as set out in the compensation agreement;

(B) conduct exploration in such a manner so as to cause minimum disturbance to:

(I) the surface of the land comprising the area covered by the agreement;

(II) crops, trees, grasses or other vegetation on the area covered by the agreement; and

(III) cause minimum disturbance to stock on the area covered by the agreement; and

(C) abide by the Minerals Council of Australia (Victoria) code of conduct for exploration and mining on private land and the code for exploration drilling for minerals;

(ii) the Company will effect and maintain at all times public liability insurance as required by the Mining Act;

(iii) the Company will, during such period as the Company utilises the paths of entry, maintain and keep in repair the paths of entry; and

(iv) the Company will ensure that a representative is available at reasonable times to liaise with the Owner/Occupier concerning the provisions of the compensation agreement; and

(c) (**Covenant by Owner/Occupier**): the Owner/Occupier agrees that for so long as the Company observes the terms of the compensation agreement, the Owner/Occupier will not impede, restrict or interfere with the Company's exploration on the property the subject of the agreement.

11. BOARD, MANAGEMENT AND CORPORATE GOVERNANCE

11.1 Directors and key personnel

William Plyley
Independent Non-executive Chairman

Mr William Plyley is a mining executive with over 35 years' operational experience in exploration, mining, processing, and management with substantial resources companies such as Placer Dome Inc, Normandy Mining Limited and Red Back Mining Inc. He has been responsible for major mine developments in Ghana, West Africa and Australia. He has also had significant roles in development and expansion of mines in Papua New Guinea and Australia. Mr Plyley retired, in late 2010, from a role as Chief Operating Officer of La Mancha Resources where he was responsible for the development of the Frog's Leg and White Foil mines near Kalgoorlie, Western Australia and the operation of mines in Sudan and Cote d'Ivoire, Africa. Recently, Mr. Plyley was a Director of Integra Mining Limited from November 2011 until the takeover of Integra by Silver Lake Resources Limited in January 2013.

Mr Plyley has a B.Sc. in Metallurgical Engineering from Mackay School of Mines, University of Nevada. He is a member of Australian Institute of Mining and Metallurgy (MAusIMM) and Graduate of Australian Institute of Company Directors (GAICD).

Christopher Cairns
Managing Director

Mr Christopher Cairns completed a First Class Honours Degree in Economic Geology from the University of Canberra in 1992. Mr Cairns has extensive experience having worked for BHP Minerals as Exploration Geologist / Supervising Geologist in Queensland and the Philippines; Aurora Gold as Exploration Manager at the Mt Muro Gold Mine in Borneo; LionOre as Supervising Geologist for the Thunderbox Gold Mine and Emily Anne Nickel Mine drill outs; and Sino Gold as Geology Manager responsible for the Jinfeng Gold Deposit feasibility drillout and was responsible for the discovery of the stratabound gold mineralisation taking the deposit from 1.5Moz to 3.5Moz in 14 months.

Mr Cairns joined Integra Mining Limited in March 2004 and as managing director oversaw the discovery of three gold deposits, the funding and construction of a new processing facility east of Kalgoorlie transforming the Company from explorer to gold producer with first gold poured in September 2010. In 2008 Integra was awarded the Australian Explorer of the Year by Resources Stocks Magazine and in 2011 was awarded Gold Miner of the Year by Paydirt Magazine and the Gold Mining Journal.

In January 2013, Integra was taken over by Silver Lake Resources Limited for $426 million (at time of bid) at which time Mr Cairns resigned along with the whole Integra Board after having successfully recommended shareholders accept the Silver Lake offer.

Mr Cairns is a member of the Australian Institute of Geoscientists, a member of the JORC committee and a Board member of the Australian Prospectors and Miners Hall of Fame.

Mr Cairns has been a director of Stavely Minerals since its incorporation.

Jennifer Murphy
Technical Director

Ms Jennifer Murphy completed a First Class Honours Degree in Geology in 1989, and subsequently a Master of Science Degree in 1993 at the University of Witwatersrand in South Africa. Ms Murphy joined Anglo American Corporation in 1993 as an exploration geologist working in Tanzania and Mali.

In 1996, she immigrated to Australia and joined Normandy Mining Limited, working initially as a project geologist in the Eastern Goldfields and Murchison Greenstone Provinces and afterwards was responsible for the development and management of the GIS and administration of the exploration database. Between 2004 and 2007, Ms Murphy provided contract geological services to a range of junior exploration companies.

Ms Murphy joined Integra Mining Limited in 2007, initially as an administration geologist, and in 2010 the role was expanded to that of corporate geologist. In 2013 Ms Murphy joined Stavely Minerals as part of the management team to provide technical and geological expertise.

Ms Murphy is a member of the Australian Institute of Geoscientists and has a broad range of geological experience ranging from exploration program planning and implementation, GIS and database management, business development, technical and statutory, and ASX reporting, as well as corporate research and analysis and investor liaison.

Peter Ironside
Non-executive Director

Mr Peter Ironside is a Chartered Accountant and business consultant with over 27 years' experience in the exploration and mining industry. He has been a director and/or company secretary of several ASX listed companies.

Mr Ironside has a significant level of accounting, compliance and corporate governance experience including corporate initiatives and capital raisings.

Mr Ironside was a director of Integra Mining Limited and is currently a non-executive director of Zamanco Minerals Limited.

Management and Consultants

The Company is aware of the need to have sufficient management to properly supervise the exploration and (if successful) for the development of the projects in which the Company has, or will in the future have, an interest and the Board will continually monitor the management roles in the Company. As projects require an increased level of involvement the Board will look to appoint additional management and/or consultants when and where appropriate to ensure proper management of the Company's projects.

11.2 ASX Corporate Governance Council Principles and Recommendations

The Company has adopted comprehensive systems of control and accountability as the basis for the administration of corporate governance. The Board is committed to administering the policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with the Company's needs.

To the extent applicable, the Company has adopted *The Corporate Governance Principles and Recommendations (2nd Edition)* as published by ASX Corporate Governance Council (**Recommendations**).

In light of the Company's size and nature, the Board considers that the current board is a cost effective and practical method of directing and managing the Company. As the Company's activities develop in size, nature and scope, the size of the Board and the implementation of additional corporate governance policies and structures will be reviewed.

The Company's main corporate governance policies and practices as at the date of this Prospectus are outlined below and the Company's full Corporate Governance Plan is available in a dedicated corporate governance information section of the Company's website (www.stavely.com.au).

Board of directors

The Board is responsible for corporate governance of the Company. The Board develops strategies for the Company, reviews strategic objectives and monitors performance against those objectives. The goals of the corporate governance processes are to:

(a) maintain and increase Shareholder value;

(b) ensure a prudential and ethical basis for the Company's conduct and activities; and

(c) ensure compliance with the Company's legal and regulatory objectives.

Consistent with these goals, the Board assumes the following responsibilities:

(a) developing initiatives for profit and asset growth;

(b) reviewing the corporate, commercial and financial performance of the Company on a regular basis;

(c) acting on behalf of, and being accountable to, the Shareholders; and

(d) identifying business risks and implementing actions to manage those risks and corporate systems to assure quality.

The Company is committed to the circulation of relevant materials to Directors in a timely manner to facilitate Directors' participation in the Board discussions on a fully-informed basis.

Composition of the Board

Election of Board members is substantially the province of the Shareholders in general meeting. However, subject thereto, the Company is committed to the following principles:

(a) the Board is to comprise persons with a blend of skills, experience and attributes appropriate for the Company and its business; and

(b) the principal criteria for the appointment of new directors is their ability to add value to the Company and its business.

No formal nomination committee or procedures have been adopted for the identification, appointment and review of the Board membership, but an informal assessment process, facilitated by the Chairman, has been committed to by the Board.

Identification and management of risk

The Board's collective experience will enable accurate identification of the principal risks that may affect the Company's business. Key operational risks and their management will be recurring items for deliberation at Board meetings.

Ethical standards

The Board is committed to the establishment and maintenance of appropriate ethical standards.

Independent professional advice

Subject to the Chairman's approval (not to be unreasonably withheld), the Directors, at the Company's expense, may obtain independent professional advice on issues arising in the course of their duties.

Remuneration arrangements

The remuneration of an executive Director will be decided by the Board, without the affected executive Director participating in that decision-making process.

The total maximum remuneration of non-executive Directors is initially set by the Constitution and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. The current amount has been set at an amount not to exceed $250,000 per annum.

In addition, a Director may be paid fees or other amounts (subject to any necessary Shareholder approval) for example non-cash performance incentives such as Options as determined by the Board where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director.

Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

The Board reviews and approves the remuneration policy to enable the Company to attract and retain executives and Directors who will create value for Shareholders having consideration to the amount considered to be commensurate for a company of its size and level of activity as well as the relevant Directors' time, commitment and responsibility. The Board is also responsible for reviewing any employee incentive and equity-based plans including the appropriateness of performance hurdles and total payments proposed.

Trading policy

The Board has adopted a policy that sets out the guidelines on the sale and purchase of securities in the Company by its key management personnel (i.e. Directors and, if applicable, any employees reporting directly to the managing director). The policy generally provides that the written acknowledgement of the Managing Director (or the Board in the case of the Managing Director) must be obtained prior to trading.

External audit

The Company in general meetings is responsible for the appointment of the external auditors of the Company, and the Board from time to time will review the scope, performance and fees of those external auditors.

Audit committee

The Company has a separate audit committee comprising of two non-executive directors (one being independent) and one executive technical director.

Diversity policy

The Board has adopted a diversity policy which provides a framework for the Company to achieve, amongst other things, a diverse and skilled workforce, a workplace culture characterised by inclusive practices and behaviours for the benefit of all staff, improved employment and career development opportunities for women and a work environment that values and utilises the contributions of employees with diverse backgrounds, experiences and perspectives.

11.3 Departures from Recommendations

Following admission to the Official List of ASX, the Company will be required to report any departures from the Recommendations in its annual financial report.

The Company's compliance and departures from the Recommendations as at the date of this Prospectus are set out on the following pages.

	PRINCIPLES AND RECOMMENDATIONS	COMMENT
1.	***Lay solid foundations for management and oversight***	
1.1	Companies should establish the functions reserved to the board and those delegated to senior executives and disclose those functions.	Complies The Company's Corporate Governance Plan includes a Board Charter, which discloses the specific responsibilities of the Board. The role of the Chairman and the Board's relationship with management are specifically set out in the Board Charter.
1.2	Companies should disclose the process for evaluating the performance of senior executives.	Complies Due to the size of the Company and its proposed level of activity, the Board is responsible for the evaluation of its performance and the performance of senior executives, including executive directors. This internal review is to be conducted on an annual basis and if deemed necessary this internal review will be facilitated by an independent third party. As the Company has only recently begun exploration activities, it has not yet undertaken a formal review of the Board's performance. The Company intends to establish a nomination committee once the Board is of a sufficient size and structure, and the Company's operations are of a sufficient magnitude.
1.3	Companies should provide the information indicated in the *Guide to reporting on Principle 1*.	Will Comply Details will be set out in the Company's annual report.
2.	***Structure the board to add value***	
2.1.	A majority of the board should be independent directors.	Does not comply The full Board determines the size and composition of the Board, subject to limits imposed by the Company's Constitution. Of the four directors, two are Non-executive Directors and the Company is of the view that one of the Non-executive Directors is independent (being the Chairman). The Board considers that Stavely Minerals is not currently of a size, nor are its affairs of such complexity to justify the expense of the appointment of a majority of independent Non-executive Directors. This Board structure will be reviewed at the appropriate stages of Stavely Minerals' development.
2.2.	The chair should be an independent director.	Complies
2.3.	The roles of chair and chief executive officer should not be exercised by the same individual.	Complies
2.4.	The board should establish a nomination committee.	Does not comply Currently the role of the nomination committee is undertaken by the full Board. The Company intends to establish a nomination committee once the Board is of a sufficient size and structure, and the Company's operations are of a sufficient magnitude.
2.5.	Companies should disclose the process for evaluating the performance of the board, its committees and individual directors.	Will comply The Company will disclose the process for evaluating the performance of the Board, its committees and individual

	PRINCIPLES AND RECOMMENDATIONS	COMMENT
		directors in its future annual reports.
2.6.	Companies should provide the information indicated in the *Guide to reporting on Principle 2*.	Will comply Details will be set out in the Company's annual report.
3.	***Promote ethical and responsible decision-making***	
3.1.	Companies should establish a code of conduct and disclose the code or a summary of the code as to: • the practices necessary to maintain confidence in the company's integrity • the practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholders • the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.	Complies The Board has established a Code of Conduct. The Code of Conduct provides that the employees will act with honesty and integrity, will avoid conflicts of interest, protect confidential and proprietary information and treat others equitably. The Code of Conduct also addresses public and media comment, use of company resources, occupational health and safety, insider trading, fair dealing and reporting matters of concern.
3.2.	Companies should establish a policy concerning diversity and disclose the policy or a summary of that policy. The policy should include requirements for the board to establish measureable objectives for achieving gender diversity and for the board to assess annually both the objectives and progress in achieving them.	Complies The Board has established a Diversity Policy.
3.3.	Companies should disclose in each annual report the measureable objectives for achieving gender diversity set by the board in accordance with the diversity policy and progress in achieving them.	Will comply Details will be set out in the Company's annual report.
3.4.	Companies should disclose in each annual report the proportion of women employees in the whole organisation, women in senior executive positions and women on the board.	Will comply Details will be set out in the Company's annual report.
3.5.	Companies should provide the information indicated in the *Guide to reporting on Principle 3*.	Will comply Details will be set out in the Company's annual report.
4.	***Safeguard integrity in financial reporting***	
4.1.	The board should establish an audit committee.	Complies The Board has established an Audit and Risk Committee.
4.2.	The audit committee should be structured so that it: • consists only of non-executive directors • consists of a majority of independent directors • is chaired by an independent chair, who is not chair of the board • has at least three members.	Does not comply The Audit and Risk Committee consists of two non-executive directors and one executive technical director. One member is independent. The Chair of the Audit and Risk Committee is not the Chair of the Board and is not independent.
4.3.	The audit committee should have a formal	Complies

	PRINCIPLES AND RECOMMENDATIONS	COMMENT
	charter.	The Board has established an Audit and Risk Committee Charter to assist with ensuring the integrity and reliability of information prepared for use by the Board, and the integrity of the Company's internal controls affecting the preparation and provision of that information in determining policies or for inclusion in the financial report.
4.4.	Companies should provide the information indicated in the *Guide to reporting on Principle 4*.	Will comply Details will be set out in the Company's annual report.
5.	***Make timely and balanced disclosure***	
5.1.	Companies should establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior executive level for that compliance and disclose those policies or a summary of those policies.	Complies The Company has a written policy on information disclosure and relevant procedures. The focus of these procedures is on continuous disclosure compliance and improving access to information for investors.
5.2.	Companies should provide the information indicated in *Guide to Reporting on Principle 5.*	Will comply Details will be set out in the Company's annual report.
6.	***Respect the rights of shareholders***	
6.1.	Companies should design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose their policy or a summary of that policy.	Complies The Company has established a Shareholder's Communication Strategy which is designed to ensure that shareholders are informed of all major developments affecting the Company's state of affairs. The Company also maintains its website as facility for all shareholder communications.
6.2.	Companies should provide the information indicated in the *Guide to reporting on Principle 6*.	Will comply Details will be set out in the Company's annual report.
7.	***Recognise and manage risk***	
7.1.	Companies should establish policies for the oversight and management of material business risks and disclose a summary of those policies.	Complies The Board has adopted a Risk Management Review Procedure and Compliance and Control policy which is overseen by the Audit and Risk Management Committee. The Audit and Risk Committee submit particular matters to the Board for its approval or review. Among other things it: - oversees the Company's risk management systems, practices and procedures to ensure effective risk identification and management and compliance with internal guidelines and external requirements; - assists management to determine the key risks to the businesses and prioritise work to manage those risks; and - reviews reports by management on the efficiency and effectiveness of risk management and associated internal compliance and control procedures.
7.2.	The board should require management to design and implement the risk management and internal control system to manage the company's material business risks and report to it on whether those risks are being managed	Will comply The Company's Corporate Governance Plan includes a Risk Management Review Procedure and Compliance and Control policy. The Board determines the Company's "risk profile" and is responsible for overseeing and approving risk

	PRINCIPLES AND RECOMMENDATIONS	COMMENT
	effectively. The board should disclose that management has reported to it as to the effectiveness of the company's management of its material business risks.	management strategy and policies, internal compliance and internal control. The Board has delegated to the Audit and Risk Committee the responsibility for implementing the risk management system. As the Committee has only recently been formed in January 2014, this system is yet to be established and implemented.
7.3.	The board should disclose whether it has received assurance from the chief executive officer (or equivalent) and the chief financial officer (or equivalent) that the declaration provided in accordance with Section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.	Will Comply The Board requires the Chief Executive Officer (being the Managing Director) and Chief Financial Officer to provide such a statement on at least an annual basis.
7.4.	Companies should provide the information indicated in *Guide to Reporting on Principle 7.*	Will comply Details will be set out in the Company's annual report.
8.	***Remunerate fairly and responsibly***	
8.1.	The board should establish a remuneration committee.	Does not comply The Board has adopted a Remuneration Committee Charter. However, the Company is not, and following the Offer will not be, of a size that justifies having a separate Remuneration Committee so matters typically considered by such a committee are dealt with by the full Board.
8.2.	The remuneration committee should be structured so that it: • consists of a majority of independent directors • is chaired by an independent director • has at least three members	Does not comply Matters typically considered by the remuneration committee are dealt with by the full Board.
8.3.	Companies should clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives.	Complies The Company distinguishes the structure of Non-executive Directors' remuneration from that of Executive Directors and senior executives in compliance with this recommendation and will be disclosed in future annual reports.
8.4.	Companies should provide the information indicated in the *Guide to reporting on Principle 8*.	Will comply Details will be set out in the Company's annual report.

12. MATERIAL CONTRACTS

12.1 Executive Services Agreements

The Company has entered into executive services agreements with Mr Christopher Cairns and Ms Jennifer Murphy (each an **Executive**) on the following material terms:

(a) (**Appointment**): pursuant to the executive services agreements:

(i) Mr Cairns has agreed to act as Managing Director of the Company; and

(ii) Ms Murphy has agreed to act as Technical Director of the Company,

on the terms set out in the executive services agreements with effect from the Company's admission to the Official List until the relevant executive services agreement is terminated in accordance with its terms;

(b) (**Salary**): the Company will pay a salary of:

(i) $250,000 per annum plus superannuation to Mr Cairns; and

(ii) $150,000 per annum plus superannuation to Ms Murphy.

In addition to the Executive's salary, the Company may, at any time during the Executive's term of employment, pay to the Executive a performance-based bonus, taking into consideration any key performance indicators of the Executive and the Company as the Company may set from time to time, and any other matter that the Company deems appropriate;

(c) (**Termination by Executive**): an Executive may terminate their executive services agreement:

(i) without cause by giving three months' written notice to the Company;

(ii) within 3 months of the Executive suffering a material diminution in the status of the Executive's role, by giving two weeks' written notice to the Company; or

(iii) immediately if the Company commits any serious breach of the executive services agreement which is not remedied within 28 days of receipt of written notice from the relevant Executive to do so.

If an Executive terminates their executive services agreement for a reason outlined in paragraph (ii) or (iii) above, the Executive shall be entitled, subject to the Corporations Act, to payment of up to 12 months' salary; and

(d) (**Termination by Company**): the Company may terminate an executive services agreement:

(i) without cause by giving 12 months' written notice to an Executive, or payment in lieu of notice of 12 months' salary, or a combination of both;

(ii) by giving the Executive one month's written notice if at any time the Executive commits a breach of the executive services agreement which is not remedied within 14 days of receipt of written notice by the Company to do so, or commits any act of gross misconduct; or

(iii) immediately if the Executive:

(A) becomes incapacitated by illness or injury which prevents or is likely to prevent the Executive from performing their duties under the executive services agreement for three months;

(B) becomes of unsound mind;

(C) becomes bankrupt;

(D) ceases to be eligible to hold office as a company director; or

(E) is convicted of a major criminal offence which brings the Company into disrepute.

12.2 Non-Executive Director Appointment Letter

The Company has entered into letter agreements with each of Mr William Plyley and Mr Peter Ironside which set out the terms of the appointment of Mr Plyley and Mr Ironside as non-executive directors of the Company.

Pursuant to the terms of the letter agreements, the Company has agreed to pay:

(a) Mr Plyley a base fee of $75,000 per annum plus superannuation; and

(b) Mr Ironside a base fee of $30,000 per annum plus superannuation,

with effect from the Company's admission to the Official List.

The appointment of each of Mr Plyley or Mr Ironside shall cease if the relevant non-executive director:

(a) is not re-elected as a director by the shareholders of the Company;

(b) resigns as a director by written notice to the Company; or

(c) becomes disqualified or prohibited by law from being a company director or from being involved in the management of a company.

12.3 Loan Facility

On 31 July 2013, the Company entered into a loan facility agreement with Chaka Investments Pty Ltd (**Chaka**), a company of which Mr Peter Ironside is the sole director and Mr Ironside's wife is shareholder. The loan facility agreement was varied by mutual agreement on 8 November 2013 and 11 March 2014.

The material terms of the loan facility agreement (as varied) are as follows:

(a) (**Facility**): Chaka has agreed to provide an unsecured loan facility to the Company of up to $2,500,000. The Company may draw funds from the loan facility in multiples of $100,000 until the loan facility has been exhausted;

(b) (**Purpose**): the Company may only use funds drawn from the loan facility for expenditure associated with the Stately and Ararat Projects and working capital requirements;

(c) (**Interest**): the Company must pay interest to Chaka on each individual drawdown until the drawdown is repaid in full at a rate of 7% per annum;

(d) (**Repayment**): subject to paragraph (e) below, the Company must repay the loan facility, plus any accrued interest, in full by 30 June 2014; and

(e) (**Issue of Shares in satisfaction of repayment**): subject to the satisfaction of certain conditions, including the Company receiving valid applications for a minimum of 25,000,000 Shares pursuant to this Prospectus, the Company shall issue:

(i) 5,000,000 Shares at a deemed issue price of 20 cents per Share (which is equal to the issue price of Shares pursuant to this Prospectus); and

(ii) 10,000,000 Shares at a deemed issue price of 10 cents per Share (which is equal to the seed capital Share issue price offered to investors at approximately the same time as the loan facility was provided by Chaka to the Company),

to Chaka (or an entity nominated by Chaka and controlled by Peter Ironside) in satisfaction of the repayment of $2,000,000 of the loan facility.

As at the date of this Prospectus, the Company has drawn a total of $2,050,000 from the loan facility. The Company intends to apply a portion of the funds raised under the Offer to repay the balance of the loan facility and accrued interest (after deducting the $2,000,000 to be satisfied by way of the Share issue referred to in paragraph (e) above).

12.4 Lead Broker Mandate

The Company has entered into a mandate with Morgans Corporate Limited (**Morgans**) pursuant to which the Company has appointed Morgans as the Lead Manager to the Offer and the manager of the ASX Bookbuild Facility on behalf of the Company.

The material terms of the mandate are as follows:

(a) (**Services**): the services provided by Morgans shall include managing the ASX Bookbuild Facility, using its best endeavours to secure valid applications for at least 25,000,000 Shares, ensuring that the Company has a sufficient spread of Shareholders to comply with ASX Listing Rule 1.1 condition 7 and advising on the management and marketing of the Offer;

(b) (**Fees**): the Company shall pay Morgans a management fee of 2% (plus GST) and a selling fee of 3% (plus GST) of the total funds raised under the Prospectus. From these fees, Morgans shall pay brokers a stamping fee of 4% (plus GST) on the value of all valid applications for Shares submitted by those brokers and accepted by the Company via the ASX Bookbuild Facility;

(c) (**Termination**): Morgans may terminate the mandate:

(i) by giving the Company seven (7) days' written notice if the Company materially breaches a term of the mandate or any warranty or representation given by the Company to Morgans is not complied with or proves to be untrue, and such breach is not remedied by the Company within 14 days of receipt of notice to do so; or

(ii) immediately if an insolvency event occurs in relation to the Company.

The Company may terminate the mandate:

(i) immediately by written notice to Morgans; or

(ii) if Morgans has committed a material breach of any of the terms of the mandate and, if capable of being rectified, that breach is not rectified within 14 days of the Company giving Morgans notice to do so; and

(d) (**Termination fees**): if the mandate is terminated after lodgement of the Prospectus with ASIC other than for the reasons outlined below, the Company shall pay Morgans a termination fee of $175,000. The termination fee shall not be payable if:

(i) general market conditions do not permit the Company to list on ASX by 30 June 2014;

(ii) Morgans terminates the mandate for any reason other than a material breach by the Company of the mandate or insolvency of the Company;

(iii) the Company terminates the mandate due to a material breach by Morgans of the mandate; or

(iv) the minimum subscription is not reached prior to the Closing Date.

13. ADDITIONAL INFORMATION

13.1 Litigation

As at the date of this Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

13.2 Rights attaching to Shares

The following is a summary of the more significant rights attaching to Shares. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

(a) General meetings

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with Section 249D of the Corporations Act and the Constitution.

(b) Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of Shares, at general meetings of Shareholders or classes of Shareholders:

(i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;

(ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and

(iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for the Share, but in respect of partly paid Shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

(c) Dividend rights

Subject to the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares.

The Directors may from time to time pay to the Shareholders any interim dividends as they may determine. No dividend shall carry interest as against the Company. The Directors may set aside out of the profits of the Company any amounts that they may

determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

Subject to the ASX Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, implement a dividend reinvestment plan on such terms and conditions as the Directors think fit and which provides for any dividend which the Directors may declare from time to time payable on Shares which are participating Shares in the dividend reinvestment plan, less any amount which the Company shall either pursuant to the Constitution or any law be entitled or obliged to retain, be applied by the Company to the payment of the subscription price of Shares.

(d) Winding-up

If the Company is wound up, the liquidator may, with the authority of a special resolution of the Company, divide among the shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

The liquidator may, with the authority of a special resolution of the Company, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any Shares or other securities in respect of which there is any liability.

(e) Shareholder liability

As the Shares under the Prospectus are fully paid shares, they are not subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(f) Transfer of Shares

Generally, Shares are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act or the ASX Listing Rules.

(g) Variation of rights

Pursuant to Section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to Shares.

If at any time the share capital is divided into different classes of Shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three-quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

(h) Alteration of Constitution

The Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

13.3 Options

As at the date of this Prospectus, the Company has 12,000,000 Options on issue. The Company proposes to issue an additional 2,400,000 Options prior to its admission to the Official List. The terms of the Options are set out below.

(a) Entitlement

Subject to paragraph (g), each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) Exercise Price

Subject to paragraphs (g) and (k), the amount payable upon exercise of each Option will be $0.27 (**Exercise Price**).

(c) Expiry Date

Each Option will expire at 5:00 pm (WST) on 31 December 2017 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) Exercise Period

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) Notice of Exercise

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment (subject to paragraph (g)) of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) Exercise Date

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment (subject to paragraph (g)) of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(g) Cashless Exercise Facility

(i) If an Optionholder wishes to exercise some or all of the Optionholder's Options, it may do so by either paying an amount equal to the Exercise Price in accordance with paragraph (e), or by electing to use the cashless exercise facility provided for by this paragraph (g) (Cashless Exercise Facility).

(ii) The Cashless Exercise Facility entitles an Optionholder to set-off the Exercise Price against the number of Shares which the Optionholder is entitled to receive upon exercise of the Optionholder's Options. By using the Cashless Exercise Facility, the Optionholder will receive Shares to the value of the surplus after the Exercise Price has been set-off.

(iii) If an Optionholder elects to use the Cashless Exercise Facility, the Optionholder will only be issued that number of Shares (rounded down to

the nearest whole number) as are equal in value to the difference between the Exercise Price otherwise payable for the Options and the then market value of the Shares at the time of exercise (determined as the weighted average closing price of Shares on the ASX over the 5 trading days prior to exercise).

(iv) For example, if an Optionholder holds 1,000 Options, each with an Exercise Price of $0.27, and they elect to exercise all of their Options in accordance with paragraph (e), they would pay the Company $270 and receive 1,000 Shares. If however the Optionholder elects to use the Cashless Exercise Facility and the Company's Share price (as determined in accordance with paragraph (g)(iii)) is, for example, $0.40, the Optionholder will pay no cash and receive 325 Shares (being (1,000 x ($0.40-$0.27))/$0.40 = 325).

(h) Timing of issue of Shares on exercise

Within 15 Business Days after the later of the following:

(i) the Exercise Date; and

(ii) when excluded information in respect to the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information,

but in any case no later than 20 Business Days after the Exercise Date, the Company will:

(iii) allot and issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which (subject to paragraph (g)) cleared funds have been received by the Company;

(iv) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and

(v) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (h)(iv) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(i) Shares issued on exercise

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(j) Quotation of Options

If admitted to the official list of the ASX at any time prior to the exercise or Expiry Date of the Options, the Company (in its discretion and subject to the ASX Listing Rules) may apply to ASX for quotation of the Options.

(k) Reconstruction of capital

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(l) Participation in new issues

There are no participation rights or entitlements inherent in the Options and Optionholders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(m) Adjustment for rights issue

In the event the Company proceeds with a pro rata issue (except a bonus issue) of securities to Shareholders after the date of issue of the Options, the Exercise Price may be reduced in accordance with the formula set out in ASX Listing Rule 6.22.2.

(n) Adjustment for bonus issues of Shares

If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment):

(i) the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the Optionholder would have received if the Optionholder had exercised the Option before the record date for the bonus issue; and

(ii) no change will be made to the Exercise Price.

(o) Transferability

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

13.4 Interests of Directors

Other than as set out in this Prospectus, no Director or proposed Director holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

(a) the formation or promotion of the Company;

(b) any property acquired or proposed to be acquired by the Company in connection with:

(i) its formation or promotion; or

(ii) the Offer; or

(c) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director or proposed Director:

(a) as an inducement to become, or to qualify as, a Director; or

(b) for services provided in connection with:

(i) the formation or promotion of the Company; or

(ii) the Offer.

13.5 Interests of Experts and Advisers

Other than as set out below or elsewhere in this Prospectus, no:

(a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;

(b) promoter of the Company; or

(c) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

(a) the formation or promotion of the Company;

(b) any property acquired or proposed to be acquired by the Company in connection with:

(i) its formation or promotion; or

(ii) the Offer; or

(c) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

(d) the formation or promotion of the Company; or

(e) the Offer.

Morgans Corporate Limited is acting as the Lead Manager to the Offer and the manager of the ASX Bookbuild Facility. The Company estimates that it will pay Morgans Corporate Limited a maximum fee of $400,000 for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Morgans Corporate Limited has not received fees from the Company for any other services.

CSA Global Pty Ltd has acted as Independent Geologist and has prepared the Independent Geologist's Report which is included in Section 8 of this Prospectus. The Company has paid CSA Global Pty Ltd a total of $34,388 (excluding GST) for these services. During the 24 months

preceding lodgement of this Prospectus with the ASIC, CSA Global Pty Ltd has received fees of $7,704 (excluding GST) from the Company for other services.

BDO Corporate Finance (WA) Pty Ltd has acted as Investigating Accountant and has prepared the Investigating Accountant's Report which is included in Section 9 of this Prospectus. The Company has paid BDO Corporate Finance (WA) Pty Ltd a total of $8,160 (excluding GST) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, BDO Corporate Finance (WA) Pty Ltd has received fees of $1,872 (excluding GST) from the Company for other services.

Steinepreis Paganin has acted as the solicitors to the Company in relation to the Offer and has prepared the Solicitor's Report on Tenements which is included in Section 10 of this Prospectus. The Company estimates it will pay Steinepreis Paganin $100,000 (excluding GST) for these services. Subsequently, fees will be charged in accordance with normal charge out rates. During the 24 months preceding lodgement of this Prospectus with the ASIC, Steinepreis Paganin has received fees of $14,000 (excluding GST) from the Company for other services.

13.6 Consents

Each of the parties referred to in this Section:

(a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this section; and

(b) to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this section.

Morgans Corporate Limited has given its written consent to being named as the Lead Manager to the Offer and the manager of the ASX Bookbuild Facility in this Prospectus. Morgans Corporate Limited has not withdrawn its consent prior to lodgement of this Prospectus with the ASIC.

CSA Global Pty Ltd has given its written consent to being named as Independent Geologist in this Prospectus, the inclusion of the Independent Geologist's Report in Section 8 of this Prospectus in the form and context in which the report is included and the inclusion of statements contained in the Chairman's Letter in Section 4, Investment Overview in Section 3 and Section 8 of this Prospectus in the form and context in which those statements are included. CSA Global Pty Ltd has not withdrawn its consent prior to lodgement of this Prospectus with the ASIC.

BDO Corporate Finance (WA) Pty Ltd has given its written consent to being named as Investigating Accountant in this Prospectus and to the inclusion of the Investigating Accountant's Report in Section 9 of this Prospectus in the form and context in which the information and report is included. BDO Corporate Finance (WA) Pty Ltd has not withdrawn its consent prior to lodgement of this Prospectus with the ASIC.

Steinepreis Paganin has given its written consent to being named as the solicitors to the Company in this Prospectus and to the inclusion of the Solicitor's Report on Tenements in Section 10 of this Prospectus in the form and context in which the report is included. Steinepreis Paganin has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

Computershare Investor Services has given its written consent to being named as the share registry to the Company in this Prospectus. Computershare Investor Services has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

Mineral Mapping Pty Ltd has given its written consent to the inclusion of the statements in Section 6.5 and Section 8 of this Prospectus in the form and context in which they are included. Mineral Mapping Pty Ltd has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

Newexco Services Pty Ltd has given its written consent to the references to its publications included in the Bibliography in Section 6 and to the inclusion of the statements in Section 8 of this Prospectus in the form and context in which they are included. Newexco Services Pty Ltd has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

Corbett and Menzies Consulting Pty Ltd has given its written consent to the inclusion of the statements in Section 6.5 and Section 8 of this Prospectus in the form and context in which they are included. Corbett and Menzies Consulting Pty Ltd has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

Peter Legge has given his written consent to the reference to his publication included in Section 6 and to the inclusion of the statements in Section 8. Peter Legge has not withdrawn his consent prior to the lodgement of this Prospectus with the ASIC.

Doug Mason has given his written consent to the reference to his publication included in Section 6 and to the inclusion of the statements in Section 8. Doug Mason has not withdrawn his consent prior to the lodgement of this Prospectus with the ASIC.

John Glen has given his written consent to the inclusion of the statements in Section 8. John Glen has not withdrawn his consent prior to the lodgement of this Prospectus with the ASIC.

13.7 Expenses of the Offer

The total expenses of the Offer (excluding GST) are estimated to be approximately $482,635 for minimum subscription or $537,465 for full subscription and are expected to be applied towards the items set out in the table below:

Item of Expenditure	Minimum Subscription ($)	Full Subscription ($)	Over Subscription ($)
ASIC fees	2,225	2,225	2,225
ASX fees	60,910	65,740	105,400
Broker Commissions and Fees*	250,000	300,000	400,000
Legal Fees	100,000	100,000	100,000
Independent Geologist's Fees	32,000	32,000	32,000
Investigating Accountant's Fees	25,000	25,000	25,000
Printing and Distribution	7,500	7,500	7,500
Miscellaneous	5,000	5,000	5,000
TOTAL	**482,635**	**537,465**	**677,125**

* This includes fees payable to Morgans Corporate Limited and other brokers for successful applications submitted via the ASX Bookbuild Facility.

13.8 Continuous disclosure obligations

Following admission of the Company to the Official List, the Company will be a "disclosing entity" (as defined in Section 111AC of the Corporations Act) and, as such, will be subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company will be required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company's securities.

Price sensitive information will be publicly released through ASX before it is disclosed to shareholders and market participants. Distribution of other information to shareholders and market participants will also be managed through disclosure to the ASX. In addition, the Company will post this information on its website after the ASX confirms an announcement has been made, with the aim of making the information readily accessible to the widest audience.

13.9 Electronic Prospectus

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Form. If you have not, please contact the Company and the Company will send you, for free, either a hard copy or a further electronic copy of this Prospectus or both. Alternatively, you may obtain a copy of this Prospectus from the website of the Company at www.stavely.com.au.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

13.10 Financial Forecasts

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

13.11 Clearing House Electronic Sub-Register System (CHESS) and Issuer Sponsorship

The Company will apply to participate in CHESS, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHESS will be issuer sponsored by the Company.

Electronic sub-registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with statements (similar to a bank account statement) that set out the number of Shares issued to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHESS and issuer sponsorship.

Electronic sub-registers also mean ownership of securities can be transferred without having to rely upon paper documentation. Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

13.12 Privacy statement

By completing an Application Form, you will be providing personal information to the Company. The Company collects, holds and will use that information to assess your application, service your needs as a Shareholder and to facilitate distribution payments and corporate communications to you as a Shareholder.

The information may also be used from time to time and disclosed to persons inspecting the register, including bidders for your securities in the context of takeovers, regulatory bodies including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the share registry.

You can access, correct and update the personal information held about you. If you wish to do so, please contact the share registry at the relevant contact number set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the application for Shares, the Company may not be able to accept or process your application.

14. DIRECTORS' AUTHORISATION

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with Section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC.

Chris Cairns
Managing Director
For and on behalf of
Stavely Minerals Limited

15. GLOSSARY OF TECHNICAL TERMS

Actinolite	An amphibole mineral containing calcium, magnesium and iron as a silicate, and water; it is typical of the amphibolite facies of metamorphism and some hydrothermal alteration.
Adularia	A potassium feldspar that crystallises at lower temperatures than other feldspar group minerals and that is typical of rocks that form in epithermal environments.
Aeromagnetic survey	Measurement of the Earth's magnetic field from an aircraft for the purpose of recording the magnetic characteristics of rocks.
Ag	Silver.
Aircore drilling	A particular type of RC drilling, also called Dual Tube Reverse Circulation. It is used mostly in unconsolidated materials for more accurate sampling than is possible using RAB drilling.
Albite	A common rock-forming mineral, a sodium aluminium silicate.
Alkalic intrusive	Igneous intrusive rocks with 5-15% (K2O+Na2O) content or with a molar ratio of alkali to silica of greater than 1:6. In porphyry systems, alkali systems tend to be smaller yet higher-grade copper-gold systems, especially in respect to gold grades and the ratio of gold to copper grades in comparison to calc-alkaline porphyry systems.
Alteration	A change in mineralogical composition of a rock, commonly brought about by reactions with hydrothermal fluids which, in mineralised systems, can also be transporting metals in solution.
Amphibolite facies	Regional metamorphic conditions at moderate to high temperatures and pressures, greater than those of greenschist facies, and that results in a mineral assemblage typically containing hornblende and/or actinolite.
Amphibole	Any of a large group of mafic hydrous silicate minerals containing various combinations of sodium, calcium, magnesium, iron and aluminium.
Andean-style convergent margin	When an oceanic plate descends beneath a convergent continental margin, typically forming a coastal orogeny or cordillera and consequent remelting and ascendency of intrusive melts from which metal-enriched porphyry intrusions can evolve.
Andesite	A fine grained volcanic rock composed mostly of calcium-sodium feldspar and variable amounts of biotite, hornblende and pyroxene.
Anomalous	A departure from the expected norm, commonly geochemical or geophysical values greater or lesser than the 'background' norm.
Arenite	A group name for sedimentary rocks that comprise sand-sized grains (0.063 mm to 2 mm diameter), irrespective of composition.
Argillic	Pertaining to clay minerals, as in "argillic alteration" in which hydrothermal fluids alter pre-existing minerals to clays.
Argon	A chemically unreactive gas that occurs naturally in many minerals and that has radioactive properties that can be used to determine its age by chemical analysis.
Assay	The determination of the metal content of a rock by chemical analysis.

Au	Gold.
Auger drilling	A drilling technique that uses a spiral, rather like a corkscrew, to collect soft materials and lift them to surface.
Basaltic	Having the composition of a basalt, a common mafic volcanic rock comprised mostly pyroxene and feldspar group minerals.
Bedrock	Solid rock that underlies soil or other unconsolidated material.
Besshi-style VMS	Volcanic massive sulfide deposits formed in dominantly basalt sequences in back-arc tectonic settings which tend to be copper- and zinc- rich.
Biotite	A common platy mafic mineral; a potassium iron magnesium aluminium silicate.
Boninites	Primitive mafic extrusive rocks high in both magnesium and silica, formed in fore-arc environments, typically during the early stages of subduction.
Breccia	A rock comprising angular fragments in a fine-grained matrix. Breccia occurs in faults, caused by brittle failure, and as a sedimentary breccia in which the pebbles are very angular.
Cadia Valley	A series of the largest underground and open-cut gold and copper mining operations in Australia owned by Newcrest Mining Limited, located in the Cadia Valley, about 20 kilometres south of the regional city of Orange, New South Wales, Australia. Associated with alkaline porphyries.
Cainozoic	The geological time from 65 million years ago to the present that includes the Tertiary and Quaternary Periods.
Calc-alkaline	The suite of rocks comprising the volcanic association basalt-andesite-dacite-rhyolite or the plutonic association gabbro-diorite-granodiorite-granite. Rocks are typically developed on the continental side of plate subduction zones, well-known examples occurring in the Andes of South America and in Japan. Calc-alkaline porphyry systems tend to have high copper to gold ratios and are associated with some of the largest low-grade copper deposits eg. Bingham Canyon and Escondida.
Calcite	A mineral consisting of calcium carbonate.
Cambrian	The geological time from 541 to 485 million years ago.
Chargeability	See "Induced Polarisation".
Chlorite	A magnesium aluminium silicate mineral, part of the mica group. A common hydrothermal alteration mineral.
Clastic	Said of sedimentary rocks that consist of other rock fragments.
Cleavage	The preferred alignment of platy minerals in a rock.
Conductivity anomalies	A measure of a material's ability to conduct an electric current which deviates or departs from the normal.
Conglomerate	A sedimentary rock consisting of pebble-sized and larger rock fragments cemented together by a fine-grained matrix.
Cu	Copper

Cumulate	Said of an igneous rock that comprises a framework of touching mineral grains that have crystallised from a melt and accumulated at the base of a chamber .
Dacite	A felsic volcanic rock that contains sodium-rich feldspar group minerals (compare to rhyolite).
Décollement	A gliding plane between two rock masses, also known as a basal detachment fault.
Delamerian Orogeny	A mountain-building period that lasted from ~514 to 500 million years ago in Eastern Australia.
'D' Vein	Very late stage veins that cross-cut all zones, are structurally controlled and are marginal to the porphyry intrusion.
Devonian	The geological time from 395 to 345 million years before present.
Diamond Drilling	A method of obtaining a cylindrical core of rock by drilling with a diamond impregnated bit.
Diorite	An intrusive igneous rock composed mainly of feldspar, hornblende, and/or pyroxene.
Dip	The angle at which rock layer or structure is inclined from the horizontal, measured perpendicular to strike.
Disseminated	Fine particles of ore mineral dispersed through the enclosed rock.
Dolerite	An intrusive rock consisting mostly of pyroxenes and feldspar.
Dolomite	A mineral consisting of calcium and magnesium carbonates.
Dyke	A tabular intrusion of igneous rock that transects the planar structure of the surrounding rock or that is sub-vertical.
Electromagnetic survey	Measurement of the electromagnetic properties of rocks. Electrically conductive rocks, that commonly are so because of the presence of sulphide minerals, have greater EM responses.
EM	Abbreviation of "electromagnetic".
Epiclastic	said of sedimentary rocks that form by the re-working of volcanic material.
Epidote	A calcium aluminium iron silicate mineral typically formed as a metamorphic mineral in low temperature hydrothermal alteration.
Epithermal	Said of deposits of gold and/or silver formed at shallow depths below the surface of the Earth.
Fault	A fracture in rocks along which rocks on one side have been moved relative to those on the other side.
Feldspar	The group of rock-forming silicate minerals with varying amounts of potassium, calcium and sodium, and which are common in felsic igneous rocks.
Feldspathic	Said of rocks that contain significant amounts of feldspar.
Felsic	Said of rocks made up mainly of pale-coloured minerals, in particular feldspar and quartz.

Ferruginous	Said of rocks or other earth materials rich in iron.
Foliated	Said of metamorphic rocks that have a planar arrangement of structural or textural features, such as schist.
Footwall	The mass of rock underlying a mineral deposit or the underlying block of a fault having an inclined fault plane.
Galena	An ore mineral made of lead sulphide; a common source of lead.
Gossan	The oxidised, near-surface part of an underlying accumulation of primary sulphide minerals.
Granite	A medium to coarse-grained felsic igneous intrusive rock made up mainly of quartz and feldspars.
Gravity/magnetic inversion	Inversion and coupling of the gravity and magnetic field data can provide a better definition of structural features and improve the inherent lack of depth resolution.
Greenschist facies	Low temperature regional metamorphism of rocks that results in a mineral assemblage typically containing chlorite, epidote and/or actinolite (see also amphibolite facies).
Greenstone belt	A sequence of volcanic and sedimentary rocks, typically comprised mainly of basaltic rocks, and commonly with an elongate geometry and surrounded by granitic rocks.
g/t	A measure of the grade of mineralisation, grams per tonne (see ppm).
Haematite	The mineral form of iron oxide which is coloured black to steel or silver-gray, brown to reddish brown, or red.
Hangingwall	The mass of rock overlying a mineral deposit or the overlying block of a fault having an inclined fault plane.
Hornblende	A common mafic mineral, a calcium iron magnesium sodium aluminium silicate with water in the crystal structure.
Hornfels	A fine-grained non foliated metamorphic rock with no specific composition, produced by contact metamorphism, typically in the country rocks in contact with an intrusive.
Hydrothermal	Said of subterranean hot water (can be metal bearing) and the alteration minerals and mineral deposits produced by them.
HyLogger	CSIRO (Commonwealth Scientific and Industrial Research Organisation) developed system for quantitative mapping of alteration in drill core.
Igneous	Said of rock that has solidified from the molten state.
Illite	A clay mineral commonly found in mudstones and soils.
Induced polarisation (IP)	A geophysical method that measures the electrical resistance (resistivity) and chargeability of rocks.
Inferred Mineral Resource	The part of the mineral resource for which tonnage, grade and mineral content can be estimated with a low level of confidence.
Interbedded	Occurring as a bed of sedimentary rock between other sedimentary strata.

Intercontinental back-arc basin	A regional-scale basin in the crust of the Earth between two continents.
Intrusive	Said of a body of igneous rock that formed when molten rock intruded older rock and solidified.
IP survey	See "Induced polarisation".
JORC	The Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia. The JORC Code is now in the 2012 edition. It sets out minimum standards, recommendations and guidelines for the Public Reporting of in Australasia of Exploration Results, Mineral Resources and Ore Reserves. The Code is included in the Listing Rules of the Australian and New Zealand stock exchanges.
Lachlan Fold Belt	A geological subdivision of the east part of Australia. It was formed in the Middle Paeozoic from 450 to 340 million years ago comprises folded and faulted rocks.
Limonitic	A group of widely occurring yellowish-brown to black iron oxide minerals.
Lineament	A linear feature of regional extent, recognisable in satellite imagery and aerial photography.
Lithology	A rock or rock type.
Low sulphidation	Said of epithermal gold-silver deposits that contain adularia and sericite, and that have surrounding phyllic, propylitic and argillic alteration zones.
Lode	A mineral deposit in consolidated rock.
Ma	Million years before present.
Mafic	Said of igneous rocks composed mostly of iron and magnesium silicate minerals, with lesser feldspar and quartz.
Mafic volcanic	Extrusive igneous rocks that are rich in magnesium and iron.
Magmatic	Pertaining to, or derived from, molten rock (magma).
Magnetite	A very magnetic mineral form of iron oxide.
Medium-k	Calc-alkaline intrusive and extrusive rocks with a moderate potassium (K) content.
Metabasalt	A low-grade, mafic metavolcanic rock with preserved evidence of its original basaltic character.
Metamorphism	The process by which mineral and chemical changes are brought about in rocks by the agencies of heat, pressure and chemically active hydrothermal fluids.
Metasediment	Metamorphosed sedimentary rock.
Metavolcanic	Metamorphosed volcanic rock.
Mineral Resource	Is a concentration or occurrence of solid material of economic interest in or on the Earth's crust is such a form, grade (or quality), and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade (or quality), continuity and other geological characteristics of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge, including

	sampling.
Mineralisation	A naturally occurring accumulation of metals and minerals of economic interest.
Mt	Million tonnes.
Mudstone	A group name for sedimentary rocks that comprise clay-sized grains (less than 0.063 mm), irrespective of composition.
Muscovite	A potassium-rich platy silicate mineral common in granite. White mica.
Mylonite	A rock that is microscopically fine grained, caused by grain deformation and recrystallisation in a fault or shear zone, and with a laminated appearance.
North Parkes	A porphyry copper- gold mine complex in central New South Wales, Australia, approximately 27 kilometres north-northwest of the town of Parkes. Rio Tinto recently sold an 80% interest for $820 million.
Ordovician	The time period from 500 to 435 million years before present.
Ore	Rock that may be mined and treated for profit.
Outflow source	The exhalative centres responsible for the formation of volcanogenic massive sulfide (VMS) deposits.
Overturned stratigraphy	Sequence of rocks that have been overturned by subsequent deformation such that older rocks now overlie younger.
Palaeochannel	An ancient drainage channel that has been filled with sediments which have been consolidated into rock, and commonly buried by younger material.
Palaeozoic	The geological era from 545 to 252 million years ago.
Pb	Lead, the metal.
Pelitic	Sedimentary rock composed of fine fragments, including clay or mud.
Percussion Drilling	Method of drilling where rock is broken by an air-driven hammer and the cuttings are carried to surface by pressurised air returning outside the drill stem.
Petrology	The study of rocks and their constituent minerals.
PGM's	Platinum Group Metals, which are: platinum, palladium, osmium, iridium, ruthenium and rhodium.
Phyllic	Pertaining to hydrothermal alteration characterised by sericite, quartz and pyrite.
Phyllite	A metamorphic rock containing abundant chlorite and/or sericite.
PIMA	Portable Infrared Mineral Analyzer which uses the short wavelength infrared portion of the electromagnetic spectrum and measures the reflected spectra bounced back from a sample's surface to determine clay mineralogy.
Plagioclase	A feldspar mineral containing sodium and/or calcium.
Porphyry	An igneous rock that contains conspicuous crystals in a fine grained matrix.

Porphyry copper-gold	Copper- gold orebodies which are associated with porphyritic intrusive rocks and the fluids that exsolve from them during the transition and cooling from magma to rock. Circulating surface water or underground fluids may interact with the plutonic fluids. Successive envelopes of hydrothermal alteration typically enclose a core of ore minerals disseminated in often stockwork-forming fractures and veins.
Post collisional extension	Tectonic setting where the crust pulls apart subsequent to plates colliding against or under each other.
ppb	Parts per billion.
ppm	Parts per million. One ppm is equal to one gram per tonne, and to 0.0001 percent.
Precambrian	The geological time from 4,500 to 540 million years before present.
Pro-grade	Mineral changes in rocks under increased pressure and/or temperature conditions.
Proterozoic	The geological time from 2,500 to 540 million years before present.
Propyllitic	Pertaining to hydrothermal alteration defined by the development of carbonate minerals, together with epidote, quartz and chlorite.
Pyrite, Pyrrhotite	Common, bronze-coloured iron sulphide minerals.
Quartz	A common mineral made of crystalline silica (silicon dioxide).
Quaternary	The geological time from 2 million years ago to the present.
RAB drilling	Rotary Air Blast drilling, in which a down-hole hammer blasts the rock chips to surface outside the drill rods (see RC drilling). This is a cheap method, but does not recover samples that are accurately located down the hole because of in-hole mixing of the rock chips (see Aircore drilling).
Rare Earth Element	A set of seventeen chemical elements in the periodic table, specifically the fifteen lanthanides plus scandium and yttrium.
RC Drilling	Reverse Circulation drilling. A drilling method in which rock chips are recovered by airflow returning inside the drill rods, rather than outside, thereby returning more reliable samples than RAB drilling (see RAB drilling and Aircore drilling).
REE	See “Rare Earth Elements”.
Regolith	The mantle of soil and unconsolidated sediment that overlies unweathered bedrock.
Resistivity	See "Induced polarisation".
Retrograde	Mineral changes in rocks under decreasing pressure and/or temperature conditions.
Rock chip sample	A series of rock fragments chipped off a rock face, commonly at regular intervals, for chemical analysis and metal assay.
Schist	A metamorphic rock containing preferentially aligned platy minerals, such as muscovite.
Secondary chalcocite enrichment blanket	Deeply weathered copper ore bodies commonly with a layer of chalcocite (a secondary copper mineral) which corresponds to the present or past water table and forms a supergene enrichment zone, also known as a “chalcocite blanket”.

Sedimentary rock	Rock formed by the deposition and cementation or induration of other rock fragments.
Sedimentation	The accumulation of sediment.
Sericite	A fine grained potassium-bearing platy mineral similar to muscovite, commonly formed as an alteration mineral.
Shale	Fine grained sedimentary rock that cleaves readily along bedding planes.
Shear Zone	A tabular zone of displacement, similar to a fault, in which deformation has occurred by ductile distortion of the rock, rather than brittle failure.
Silica	Silicon dioxide. In crystalline form it is quartz. It is the most abundant mineral in the Earth's crust.
Silicification	A rock metamorphic process that involves replacement of existing minerals by silica.
Silurian	The geological time from 443 to 419 million years ago.
Soil geochemistry	The science that uses the tools and principles of chemistry to determine the composition of the mixture of minerals, organic matter, gases and liquids that form the soil.
Stawell-style gold deposits	Gold mineralisation at Stawell is hosted within deformed turbidites and the underlying mafic volcanic succession. The gold lodes have developed on the western flank of a large doubly plunging basalt Dome (the Magdala antiform).
Stockwork	A network of veins in rock.
Stratigraphy	The study of rock layers (strata), origin, composition and distribution.
Strike	The direction of bearing of a bed or layer of rock in the horizontal plane.
Sulphides	Minerals consisting of a chemical combination of sulphur with a metal.
Syncline	A canoe-shaped fold in rock, with layers that dip toward the centre of the structure.
Tectonic	Said of large-scale global stresses and structures in the Earth.
Tectonically	Relating to, causing, or resulting from structural deformation of the earth's crust.
TEM	Transient ElectroMagnetic. A method of geophysical survey that uses pulses of electrical current to create a magnetic field in rocks, and designed to identify the rocks by their varying responses, especially very conductive sulphidic bodies (see EM).
Tertiary	The geological Period from 65 to 2 million years ago.
Thrust	A type of fault whereby one slab of rock is moved over another.
Tuff	A type of rock consisting of cemented or indurated volcanic ash ejected from a volcano.
U-Pb zircon date	Zircon crystals incorporate uranium atoms in which the decay scheme of ^{238}U to ^{206}Pb leads to the U-Pb isochron dating method.
Ultramafic	Said of igneous rocks composed mostly of iron and magnesium silicate minerals (olivine, pyroxene, amphibole), with little or no feldspar and quartz.

Unconformity	A buried erosion surface that separates older and younger rocks.
Vein	A thin, commonly tabular unit of rock that cuts across another rock, usually filling a fracture by precipitation of minerals from fluids.
VMS	See "Volcanogenic Massive Sulfide".
Versatile time domain electromagnetic survey	VTEM. Airborne electromagnetic method using oscillating electromagnetic energy which penetrates the ground and causes secondary electromagnetic fields in regions of electrical conductivity.
Volcanics	Collective term for extrusive igneous rocks.
Volcaniclastic	Said of sediments comprising rock fragments derived by ejection from a volcano, and deposited elsewhere by surface transport processes.
Volcanogenic Massive Sulfide	A type of metal sulphide ore deposit, mainly Cu-Zn which are associated with and created by volcanic-associated hydrothermal events in submarine environments.
Volcanolithic	Said of a rock that is made up of fragments of volcanic rocks.
VTEM	See "Versatile time domain electromagnetic survey".
Wall-rock	The rock that is immediately adjacent to a mineral vein, fault or igneous intrusion.
Zn	Zinc, the metal.

16. GLOSSARY OF DEFINED TERMS

Where the following terms are used in this Prospectus they have the following meanings:

$ means an Australian dollar.

Application Form means the application form attached to or accompanying this Prospectus relating to the Offer.

ASIC means Australian Securities & Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by it as the context requires.

ASX Bookbuild Facility means an automated on-market bookbuild facility operated by ASX to enable:

(a) a trading participant acting on behalf of an issuer to offer and allocate financial products; and

(b) to enable trading participants to enter bids for those financial products on behalf of eligible investors.

ASX Listing Rules means the official listing rules of ASX.

BCD Metals means BCD Metals Pty Ltd (ACN 009 561 031).

Board means the board of Directors as constituted from time to time.

Bookbuild means the bookbuild relating to the Offer and effected through the ASX Bookbuild Facility.

Closing Date means the closing date of the Offer as set out in the indicative timetable in the Investment Overview in Section 3 of this Prospectus (subject to the Company reserving the right to extend the Closing Date or close the Offer early).

Company or **Stavely Minerals** means Stavely Minerals Limited (ACN 119 826 907).

Constitution means the constitution of the Company.

Corporations Act means the Corporations Act 2001 (Cth).

Directors means the directors of the Company at the date of this Prospectus.

Exposure Period means the period of 7 days after the date of lodgement of this Prospectus, which period may be extended by the ASIC by not more than 7 days pursuant to Section 727(3) of the Corporations Act.

JORC Code means the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.

Morgans or **Lead Manager** means Morgans Corporate Limited (ABN 32 010 539 607).

Offer means the offer of Shares pursuant to this Prospectus as set out in Section 5 of this Prospectus.

Official List means the official list of ASX.

Official Quotation means official quotation by ASX in accordance with the ASX Listing Rules.

Option means an option to acquire a Share on the terms set out in Section 13.3 of this Prospectus.

Projects means the Stavely and Ararat Projects in Victoria, Australia.

Prospectus means this prospectus.

Section means a section of this Prospectus.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of Shares.

Tenements means the mining tenements in which the Company has an interest as further described in the Solicitor's Report on Tenements set out in Section 10 of this Prospectus or any one of them as the context requires.

WST means Western Standard Time as observed in Perth, Western Australia.

APPLICATION FORM

This Application Form is important. If you are in doubt as to how to deal with it, please contact your stockbroker or professional advisor without delay.

You should read the Prospectus dated 17 March 2014 and any relevant supplementary Prospectus (if applicable), carefully before completing this Application Form. The Corporations Act prohibits any person from passing on this Application Form (whether in paper or electronic form) unless it is attached to or accompanies a complete and unaltered copy of the Prospectus and any relevant supplementary Prospectus (whether in paper or electronic form).

Applications for Shares under the Prospectus must be made by brokers on behalf of their client by:

(a) submitting a bid on behalf of an eligible applicant via the ASX Bookbuild Facility using the ASX code **SVYXBB** prior the close of the Bookbuild; and

(b) confirming the bid by delivering this Application Form (including the details of the eligible applicant and the number of Shares applied for) to Computershare Investor Services Pty Limited ("CIS") prior to the close of the Bookbuild.

An allocation of Shares resulting from a bid made through the ASX Bookbuild Facility will be binding on the Applicant.

ABN 33 119 826 907

A **I/we apply for**

Number of Shares in Stavely Minerals Limited at A$0.20 per Share or such lesser number of Shares which may be allocated to me/us.

B **Maximum Application money:**

A$.

I/we agree to instruct my/our broker to pay on my behalf the Application Money for Shares allocated to me/us pursuant to the Bookbuild in accordance with standard Delivery versus Payment (DvP) procedures at the time of settlement of the Share issue.

C **Individual/Joint applications - refer to naming standards overleaf for correct forms of registrable title(s)**

Title or Company Name Given Name(s) Surname

Joint Applicant 2 or Account Designation

Joint Applicant 3 or Account Designation

D **Enter the postal address - include State and Postcode**

Unit Street Number Street Name or PO Box/Other information

City/Suburb/Town State Postcode

E **Enter your contact details**

Contact Name Telephone Number - Business Hours

( )

F **CHESS Participant**

Holder Identification Number (HIN)

X

Please note that if you supply a CHESS HIN but the name and address details on your form do not correspond exactly with the registration details held at CHESS, your application will be deemed to be made without the CHESS HIN, and any Shares issued as a result of the Offer will be held on the Issuer Sponsored subregister.

By submitting this Application Form:

- I/we declare that this application is complete and lodged according to the Prospectus, and any relevant supplementary Prospectus, and the declarations/ statements on the reverse of this Application Form,
- I/we declare that all details and statements made by me/us (including the declaration on the reverse of this Application Form) are complete and accurate, and
- I/we agree to be bound by the Constitution of Stavely Minerals Limited (the Company).

See overleaf for completion guidelines ➔

How to complete this form

A Shares applied for
Enter the number of Shares you wish to apply for. The application must be for a minimum of 10,000 Shares and applications for greater than 10,000 Shares must be in multiples of 500 Shares.

B Application Monies
Enter the amount of Application Monies. To calculate the maximum amount, multiply the number of Shares applied for by the issue price per Share. Application Monies do not need to be submitted with this Application Form. The Application Monies for the Shares allocated to you as a result of a bid made through the ASX Bookbuild Facility must be paid in full (at $0.20 per Share) at the time of issue of those Shares via standard DvP procedures.

C Applicant Name(s)
Enter the full name you wish to appear on the statement of shareholding. This must be either your own name or the name of a company. Up to 3 joint Applicants may register. You should refer to the table below for the correct forms of registrable title. Applications using the wrong form of names may be rejected. Clearing House Electronic Subregister System (CHESS) particpants should complete their name identically to that presently registered in the CHESS system.

D Postal Address
Enter your postal address for all correspondence. All communications to you from the Registry will be mailed to the person(s) and address as shown. For joint Applicants, only one address can be entered.

E Contact Details
Enter your contact details. These are not compulsory but will assist us if we need to contact you regarding this application.

F CHESS
The Company participates in CHESS. If you are a CHESS participant (or are sponsored by a CHESS participant) and you wish to hold Shares allotted to you under this Application on the CHESS Subregister, enter your CHESS HIN. Otherwise, leave this section blank and on allotment, you will be sponsored by the Company and allocated a Securityholder Reference Number (SRN).

Before completing the Application Form the applicant(s) should read the Prospectus to which this application relates. By submitting a bid via the ASX Bookbuild Facility and lodging the Application Form, the applicant agrees that this application for Shares in Stavely Minerals Limited is upon and subject to the terms of the Prospectus and the Constitution of Stavely Minerals Limited, agrees to take any number of Shares that may be allotted to the Applicant(s) pursuant to the Prospectus and declares that all details and statements made are complete and accurate. It is not necessary to sign the Application Form.

Lodgement of Application

Application Forms must be received by Computershare Investor Services Pty Limited by no later than 5.00pm AEST on 23 April 2014. You should allow sufficient time for this to occur. Instruct your broker to return the Application Form to:

Computershare Investor Services Pty Limited
GPO Box 52
MELBOURNE VIC 3001

Neither CIS nor the Company accepts any responsibility if you lodge the Application Form at any other address or by any other means.

Privacy Statement

Personal information is collected on this form by CIS, as registrar for securities issuers ("the issuer"), for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. Your personal information may be disclosed to our related bodies corporate, to external service companies such as print or mail service providers, or as otherwise required or permitted by law. If you would like details of your personal information held by CIS, or you would like to correct information that is inaccurate, incorrect or out of date, please contact CIS. In accordance with the Corporations Act 2001, you may be sent material (including marketing material) approved by the issuer in addition to general corporate communications. You may elect not to receive marketing material by contacting CIS. You can contact CIS using the details provided on the front of this form or e-mail privacy@computershare.com.au

If you have any enquiries concerning your application, please contact your broker.

Correct forms of registrable title(s)
Note that ONLY legal entities are allowed to hold securities. Applications must be in the name(s) of a natural person(s), companies or other legal entities acceptable to the Company. At least one full given name and the surname is required for each natural person. Application Forms cannot be completed by persons less than 18 years of age. Examples of the correct form of registrable title are set out below.

Type of Investor	Correct Form of Registration	Incorrect Form of Registration
Individual: Use given names in full, not initials	Mr John Alfred Smith	JA Smith
Company: use the company's full title, not abbreviations	ABC Pty Ltd	ABC P/L or ABC Co
Joint Holdings: use full and complete names	Mr Peter Robert Williams & Ms Louise Susan Williams	Peter Robert & Louise S Williams
Trusts: use the trustee(s) personal name(s)	Mrs Susan Jane Smith <Sue Smith Family A/C>	Sue Smith Family Trust
Deceased Estates: use the executor(s) personal name(s)	Ms Jane Mary Smith & Mr Frank William Smith <Est John Smith A/C>	Estate of late John Smith or John Smith Deceased
Minor (a person under the age of 18): use the name of a responsible adult with an appropriate designation	Mr John Alfred Smith <Peter Smith A/C>	Master Peter Smith
Partnerships: use the partners personal names	Mr John Robert Smith & Mr Michael John Smith <John Smith and Son A/C>	John Smith and Son
Long Names	Mr John William Alexander Robertson-Smith	Mr John W A Robertson-Smith
Clubs/Unincorporated Bodies/Business Names: use office bearer(s) personal name(s)	Mr Michael Peter Smith <ABC Tennis Association A/C>	ABC Tennis Association
Superannuation Funds: use the name of the trustee of the fund	Jane Smith Pty Ltd <Super Fund A/C>	Jane Smith Pty Ltd Superannuation Fund