



# HALF-YEAR REPORT FOR THE SIX MONTHS ENDED 31 DECEMBER 2020

## Highlights

### Thursday's Gossan Copper-Gold Prospect (Stavelly Project, western Victoria)

- Very broad zone of significant copper mineralisation intersected from shallow depths in the Cayley Lode in drill hole SMD104:
  - 144m at 1.04% Cu, 0.15g/t Au and 3.4g/t Ag from 35m down-hole, including:
    - 84m at 1.55% Cu, 0.23g/t Au and 5.0g/t Ag from 95m, including:
      - 28m at 3.31% Cu, 0.49g/t Au and 7.1g/t Ag from 151m
- Broad zone of significant copper and high-grade gold mineralisation intersected from shallow depths in the Cayley Lode in drill hole SMD106:
  - 48m at 1.39% Cu, 6.33g/t Au and 12g/t Ag from 85m down-hole, including:
    - 16.7m at 3.13% Cu, 17.93g/t Au and 29g/t Ag from 115m, including:
      - 2m at 0.74% Cu, 132g/t Au and 38g/t Ag from 116m
- A very broad zone of copper mineralisation including a significant shallow intercept of 18m at 1.11% Cu was intersected in the interpreted near-surface position of the parallel Copper Lode Splay (CLS) in drill hole SMD093:
  - 299.7m at 0.40% Cu from 35m down-hole, including:
    - 64m at 0.68% Cu in the chalcocite-enriched blanket from 35m, including:
      - 18m at 1.11% Cu from 36m in the interpreted Copper Lode Splay
    - 30.1m at 1.44% Cu, 0.21g/t Au and 4.4g/t Ag from 304.6m in the Cayley Lode, including:
      - 4m at 3.17% Cu, 0.26g/t Au and 7.5g/t Ag
- Drill hole SMD108 returned two Cayley Lode intercepts including:
  - 21.7m at 2.06% Cu, 0.53g/t Au and 17g/t Ag from 150.9m down-hole, including
    - 6.3m at 3.57% Cu, 1.17g/t Au and 25g/t Ag from 164.9m; and
  - 10m at 1.33% Cu, 0.16g/t Au and 7.8g/t Ag, from 254.6m down-hole, including:
    - 4.4m at 2.24% Cu, 0.29g/t Au and 12g/t Ag from 255.2m
- Drill hole SMD100 (drilled to 250 degrees azimuth as a 'scissor' hole) in the south-central portion of the Cayley Lode, intersected strong mineralisation below the Low-Angle Structure (LAS), including:
  - 8.8m at 1.57% Cu, 0.24g/t Au and 4.5g/t Ag from 332.2m down-hole

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- Drill hole SMD107 intersected 34m at 0.61% Cu from 26m down-hole in the chalcocite-enriched blanket including a higher-grade zone of:
  - 8m at 1.37% Cu and 0.18g/t Au and 40g/t Ag from 45m, including:
    - 3m at 2.51% Cu, 0.36g/t Au and 63g/t Ag from 46m
- The Cayley Lode continued to deliver strong results including the following assays:
  - 4.9m at 2.14% Cu, 0.33g/t Au and 9.8g/t Ag from 347m down-hole in SMD094;
  - 10m at 2.33% Cu, 0.45g/t Au and 20g/t Ag from 224m down-hole in SMD095;
  - 15m at 3.59% Cu, 2.73g/t Au and 18g/t Ag including 1m at 2.41% Cu, 24.6g/t Au and 16.5g/t Ag from 222m in SMD096; and
  - 4.8m at 3.56% Cu, 0.46g/t Au and 29g/t Ag from 255.8m down-hole in SMD097.

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## Major Achievements

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- As at the end of the half-year, there were six diamond rigs operating:
  - four conducting the resource drill-out at the Cayley Lode and, subject to gaining access to the southern paddock, a maiden JORC Mineral Resource is targeted for the second quarter of 2021; and
  - two rigs drill testing two deep interpreted porphyry targets generated by two seismic lines shot in the second half of 2020.
- The current Mineral Resource drill program to delineate high-grade, near-surface copper-gold-silver mineralisation over a significant strike extent in the Cayley Lode that would complement the existing large Inferred Mineral Resource in a shallow chalcocite-enriched blanket of 28 million tonnes at 0.4% copper (gold and silver not estimated) at Thursday's Gossan (see Stavely Minerals Limited 2018 Annual Report) is well advanced. While the current focus is extending the Mineral Resource definition drilling to the north-west, the Company is expecting to be able to commence extending the Mineral Resource definition drilling to the south-east (south of the railway line) early in calendar 2021.
- The Company completed the divestment of its Mathinna/Alberton and Lefroy Goldfields tenements located in Northeast Tasmania, as well as its Fosterville East tenement in Victoria, to Nubian Resources Ltd (TSX-V: NBR) ('Nubian'). The consideration for the sale comprised a A\$100,000 cash deposit and 4,195,708 Nubian shares (valued at A\$2.1 million at 31 December 2020 (C\$0.495 per share).
- A capital raising of \$27.8M was completed. The capital raising was underpinned by a Share Placement, which was significantly oversubscribed, of approximately 41.67 million shares at 60 cents per share to sophisticated and institutional investors to raise \$25 million before costs, and a Share Purchase Plan which raised approximately \$2.8M also at 60 cents per share.

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**Directors**

Christopher Cairns (Executive Chairman)  
Jennifer Murphy (Technical Director)  
Peter Ironside (Non-Executive Director)  
Amanda Sparks (Non-Executive Director)

**Company Secretary**

Amanda Sparks

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**ABN**

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Perth Western Australia 6000

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Claremont Western Australia 6010

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ASX Code: SVY

**Auditors**

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38 Station Street  
Subiaco Western Australia 6005

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Your Directors submit their interim financial report on the consolidated entity consisting of Stavely Minerals Limited ("Stavely") and the entities it controls at the end of the half-year ended 31 December 2020.

## DIRECTORS

The Directors in office at the date of this report and at any time during the half-year are as follows. Directors were in office for the entire period unless otherwise stated.

Christopher Cairns  
Jennifer Murphy  
Peter Ironside  
Amanda Sparks

## PRINCIPAL ACTIVITY

The Group's principal activity was mineral exploration during the half-year. There were no significant changes in the nature of the principal activities during the half-year.

## REVIEW AND RESULTS OF OPERATIONS

### SUMMARY OF FINANCIAL PERFORMANCE

A summary of key financial indicators for the Group, with prior period comparison, is set out in the following table:

	Six Months Ended 31 December 2020	Six Months Ended 31 December 2019
	\$	\$
Cash and cash equivalents held at half-year end	26,538,702	17,501,395
Net profit/(loss) for the half-year after tax	(8,008,852)	(6,126,001)
Basic profit/(loss) per share (cents)	(3.20)	(3.13)
Net cash from/(used in) operating activities	(8,439,042)	(3,667,334)
Net cash from/(used in) investing activities	(550,538)	17,535
Net cash from/(used in) financing activities	26,103,350	18,275,332

During the half-year:

- Expenditure on exploration totalled \$7,761,003 (2019 half-year: \$3,825,162).
- In the prior year, on 22 April 2020, Stavely Minerals reached an agreement to purchase the existing 3% net smelter royalty (NSR) held by New Challenge Resources Pty Ltd on tenement RL 2017, which hosts the Thursday's Gossan prospect and other key prospects at the Stavely Copper-Gold Project in Victoria. The consideration was a cash payment of \$350,000 and the issue of 850,000 Stavely Minerals' shares at a deemed issued price of 40 cents per share. The cash payment of \$350,000 was paid to New Challenge Resources on 1 July 2020 and the shares issued on 9 July 2020.
- On 14 August 2020, 4,645,000 shares were issued at 60 cents per share pursuant to a Share Purchase Plan. Gross proceeds were \$2,787,000.
- a Placement was undertaken in two tranches, the first tranche of 28,000,000 shares was issued on 30 July 2020 and the second tranche of 13,666,667, which was approved by shareholders at the General Meeting held on 31 August 2020, was issued on 7 September 2020. The shares were issued at 60 cents per share to sophisticated and institutional investors. Gross proceeds were \$25,000,000.

- The Company completed the divestment of its Mathinna/Alberton and Lefroy Goldfields tenements located in Northeast Tasmania, as well as its Fosterville East tenement in Victoria, to Nubian Resources Ltd (TSX-V: NBR) ('Nubian'). The consideration for the sale comprised a A\$100,000 cash deposit and 4,195,708 Nubian shares valued at \$1,611,341 at the date of completion on 16 December 2020.

## SUMMARY OF OPERATIONS

The locations of the Company's Projects are presented in Figures 1 to 4.

For most of the half-year, Stage 3 restrictions as a response to the COVID-19 situation were in place for regional Victoria, including the Stavelly Project area. The Company continued its field-based drilling operations throughout the lock-down. The nature of the drilling process – drill core processing, logging and sampling - can be done in a manner consistent with the principles of social distancing recommended by Government authorities. All Stavelly Minerals' personnel in the field are also using additional PPE (face masks/coverings) consistent with Government guidelines.

Stavelly Minerals has benefited from its long-standing policy of hiring its field-based workforce from Victoria, and specifically preferencing employees from its regional locality in the State's west.

For the months of July and August, the number of drill rigs at site were reduced to minimise disturbance of the paddocks during the wet season. From September, a total of four rigs continued with the ongoing resource drilling programme at the shallow high-grade copper-gold discovery - the Cayley Lode at the Thursday's Gossan prospect.

At the beginning of the half-year, the resource drilling concentrated on the south-eastern end of this (now) 1.5km long discovery zone, with in-fill and step-out drilling based on a roughly 40m x 40m drilling grid. Later in the half-year, the focus shifted to the north-west extension of the shallow Cayley Lode.

The Cayley Lode continues to deliver some exceptional shallow drill intercepts of high-grade copper, gold and silver mineralisation, with hole SMD104 returning 144m @ 1.04% Cu, 0.15 g/t Au and 3.4 g/t Ag from 35m.

Drill hole SMD106 returned a spectacular shallow intercept of 48m at 1.39% Cu and 6.33g/t Au. The exceptionally high-grade gold in this drill hole was not expected. Elsewhere an association with lower temperature banded silica as a late in-fill to corroded voids and, on occasion, the manganese carbonate rhodochrosite and base metal sulphides sphalerite and galena has been noted. These are all indications of a cooler, more low-sulphidation character to the higher gold-grades, significantly above the more typical 0.25g/t Au to 0.50g/t Au grades normally associated with well-developed lode-style copper mineralisation that displays a more high-sulphidation character.

One key characteristic of the best mineralised systems globally is that they are multi-phase and not simple. The more events occurring over an extended period of time – with different mineralising pulses over-printing earlier phases – the greater the chance of forming a deposit that may host the scale and grade required for a substantial long-life development.

During the half-year, drilling of the two deep diamond holes targeting the blind porphyry commenced. As these holes progress toward their respective porphyry target zones, they will traverse the volume of rock that hosts the three known mineralised structures and have the potential to identify additional mineralised structures not yet seen in drilling completed to date.

'First cut' Mineral Resource block models and geostatistical evaluation commenced during the half-year, with promising early indications. The objective is to get a large proportion of the shallow resource into the Indicated Resource category so that a subsequent Scoping Study will have a reasonable basis for reporting Production Targets and financials.

In addition to the resource definition drilling, the Company has commenced various ancillary programmes including metallurgical testwork, geotechnical testwork, environmental monitoring and groundwater monitoring that will provide critical information to the various stages of future development studies.





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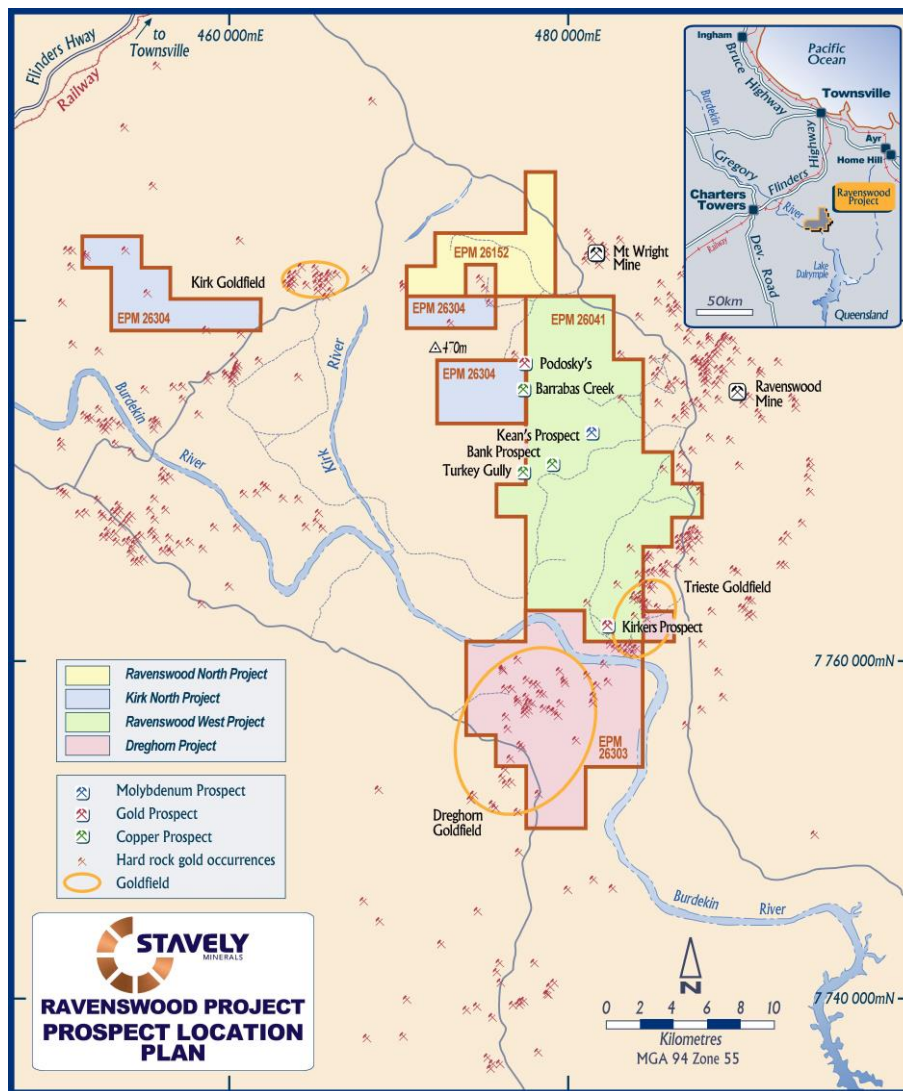


Figure 2. North Queensland Project location plan.

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Figure 3. Tasmania Project location plan.

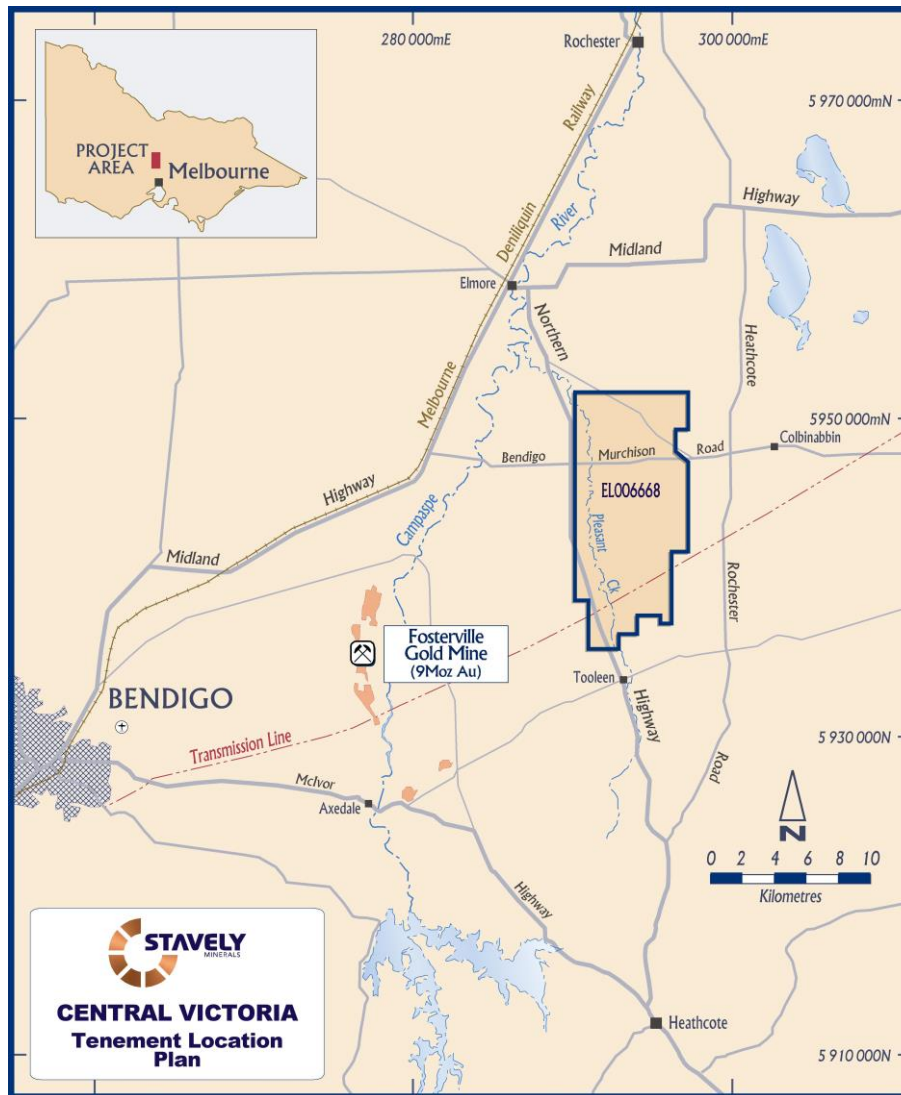


Figure 4. Central Victoria Project location plan.

**ARARAT PROJECT (RL2020)**

No on-ground exploration was conducted on the Ararat Project during the half-year. In December 2020, planning of drilling to test the down-dip potential of the existing Mt Ararat resource was undertaken.

**STAVELY PROJECT (RL2017)**

**Thursday’s Gossan Prospect – Cayley Lode**

During the half-year, the Company completed diamond drill holes SMD096 to SMD113, SMD115 to SMD116, and SMD118 to SMD125 targeting the high-grade structurally-controlled copper-gold-silver mineralisation at the Cayley Lode at the Thursday’s Gossan Prospect. An intensive resource drill-out was underway on the south-eastern end and the north-west end of this (now) 1.5km long discovery zone, with in-fill and step-out drilling based on a roughly 40m x 40m drilling grid.

Assay results were received for drill holes SMD090, SMD091, SMD092, SMD093, SMD094, SMD095, SMD096, SMD097, SMD098, SMD099, SMD100, SMD101, SMD102, SMD103, SMD104, SMD105, SMD106, SMD107, SMD108, SMS003, SMS004, SMS005, SMS006, SMS011, SMS012 and SMS013 during the half-year. Significant intercepts for all drill holes received as at the end of the half-year are presented in the Cayley Lode Intercept Table.

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Diamond drill hole SMD104 (Figure 7) intersected a very broad zone of significant copper mineralisation in a very shallow intercept in the Cayley Lode:

- 144m at 1.04% Cu, 0.15g/t Au and 3.4g/t Ag from 35m down-hole, including:
  - 84m at 1.55% Cu, 0.23g/t Au and 5.0g/t Ag from 95m, including:
    - 28m at 3.31% Cu, 0.49g/t Au and 7.1g/t Ag from 151m

Diamond drill hole SMD106 (Figure 8), part of the north-west Cayley Lode Mineral Resource extensional drilling, intersected shallow high-grade copper-gold-silver mineralisation:

- 48m at 1.39% Cu, 6.33g/t Au and 12g/t Ag from 85m down-hole, including:
  - 16.7m at 3.13% Cu, 17.93g/t Au and 29g/t Ag from 115m, including:
    - 2m at 0.74% Cu, 132g/t Au and 38g/t Ag from 116m, and
  - 0.9m at 21.10% Cu, 17.45g/t Au and 232g/t Ag from 130.8m

Drill hole SMD108 (Figure 9) returned two Cayley Lode intercepts including:

- 21.7m at 2.06% Cu, 0.53g/t Au and 17g/t Ag from 150.9m down-hole, including:
  - 6.3m at 3.57% Cu, 1.17g/t Au and 25g/t Ag from 164.9m; and
- 10m at 1.33% Cu, 0.16g/t Au and 7.8g/t Ag, from 254.6m down-hole, including:
  - 4.4m at 2.24% Cu, 0.29g/t Au and 12g/t Ag from 255.2m

Diamond drill hole SMD093 intercepted a very broad zone of low-grade copper mineralisation (Figure 10) with:

- 299.7m at 0.40% Cu from 35m down-hole including
  - 64m at 0.68% Cu from 35m in the chalcocite-enriched blanket, including
    - 18m at 1.11% Cu from 36m in the interpreted CLS, and
  - 30.1m at 1.44% Cu, 0.21g/t Au and 4.4g/t Ag from 304.6m in the Cayley Lode, including
    - 4m at 3.17% Cu, 0.26g/t Au and 7.5g/t Ag from 306m

Diamond drill hole SMD094 (Figure 11) intersected:

- 53m at 0.39% Cu in the chalcocite-enriched blanket from 50m down-hole
- 4.9m at 2.14% Cu, 0.33g/t Au and 9.8g/t Ag in the Cayley Lode under the LAS from 347m down-hole

Diamond drill holes SMD095, SMD096 and SMD097 were all drilled from similar collar locations but were drilled at different azimuths in an attempt to drill a 'fan' of holes under the railway to define the Cayley Lode as it continues at depth to the south.

Diamond drill hole SMD095 (Figure 11) intersected:

- 50m at 0.40% Cu in the chalcocite-enriched blanket from 28m down-hole;
- 10m at 2.33% Cu, 0.45g/t Au and 20g/t Ag in the Cayley Lode above the LAS from 224m down-hole.

Diamond drill hole SMD096 (Figure 11) intersected:

- 25m at 0.52% Cu in the chalcocite-enriched blanket from 33m down-hole;
- 15m at 3.26% Cu, 0.62g/t Au and 16g/t Ag in the Cayley Lode above the LAS from 220m down-hole.

Additionally, in duplicate sampling as part of Stavely Minerals' ongoing QA/QC programme, the same interval in SMD096 returned significantly higher gold grades including:

- 15m at 3.59% Cu, 2.73g/t Au and 18g/t Ag from 220m down-hole, including:
  - 1m at 2.41% Cu, 24.6g/t Au and 16.5g/t Ag from 222m, indicating that there is likely to be some nuggetty particulate gold in the system.

Diamond drill-hole SMD097 (Figure 11) intersected:

- 18m at 0.63% Cu in the chalcocite-enriched blanket from 38m down-hole; and
- 4.8m at 3.56% Cu, 0.46g/t Au and 29g/t Ag in the Cayley Lode above the LAS from 255.8m down-hole.

The intercepts in SMD096 and SMD097 appear to have been truncated by the LAS and may have originally been of greater width.

Drill hole SMD100 (drilled to 250 degrees azimuth as a 'scissor' hole, Figure 12) in the south-central portion of the Cayley Lode, intercepted significant mineralisation below the Low-Angle Structure (LAS), including:

- 8.8m at 1.57% Cu, 0.24g/t Au and 4.5g/t Ag from 332.2m down-hole

Drill hole SMD103 (Figure 13) provided a large low-grade intercept of 165.6m at 0.33% Cu from 24.4m down-hole including:

- 35.2m of 0.25% Cu in the chalcocite-enriched blanket from 24.4m down-hole; and
- 30.2m at 0.35% Cu, 0.17g/t Au and 2g/t Ag from 117m down-hole; and
- A basal intercept of 3m at 5.52% Cu, 0.45g/t Au and 10g/t Ag.

Drill hole SMD107 (Figure 14) intercepted 34m at 0.61% Cu from 26m down-hole in the chalcocite-enriched blanket including:

- 8m at 1.37% Cu and 0.18g/t Au and 40g/t Ag from 45m, including
  - 3m at 2.51% Cu, 0.36g/t Au and 63g/t Ag from 46m

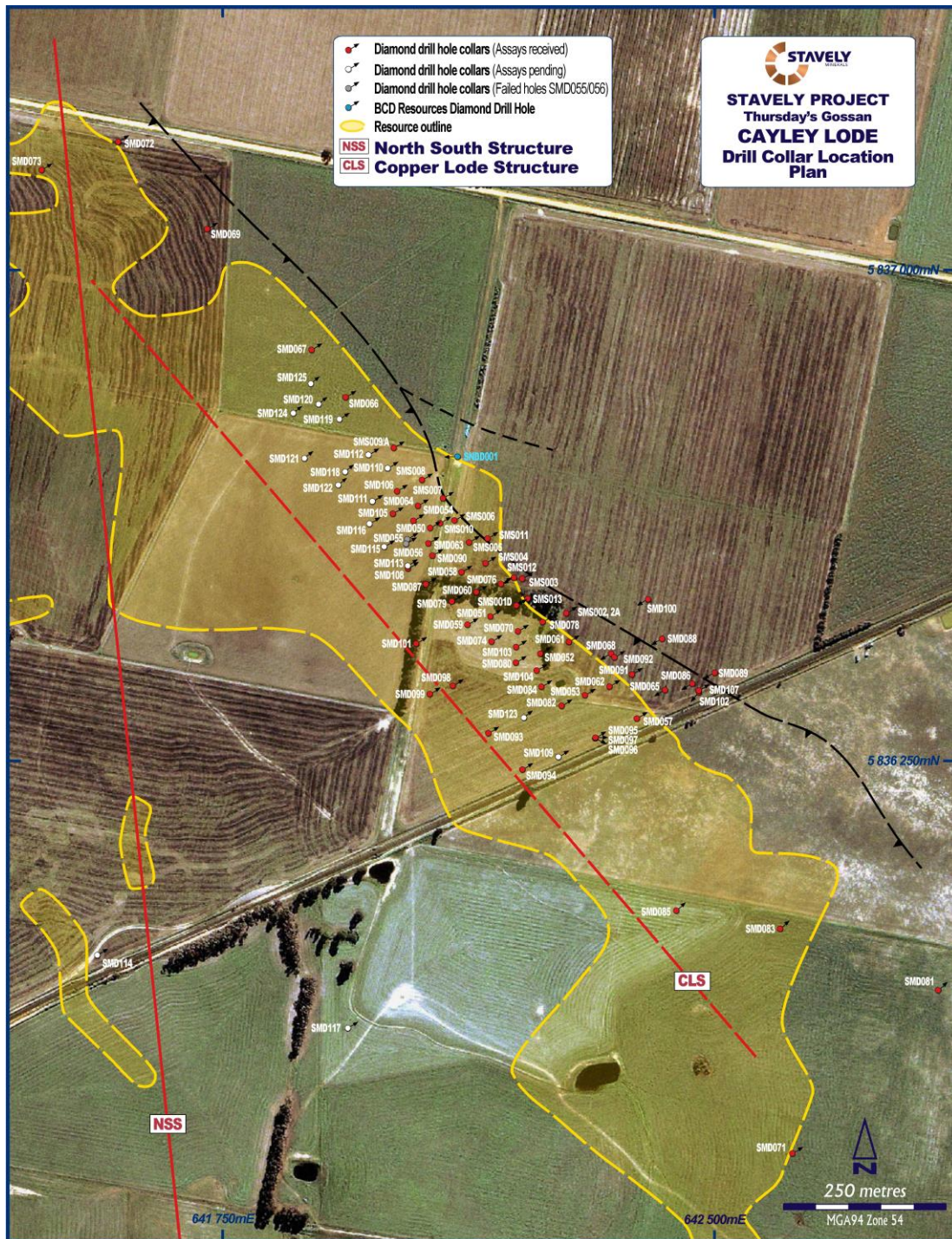


Figure 5. Drill collar location plan.

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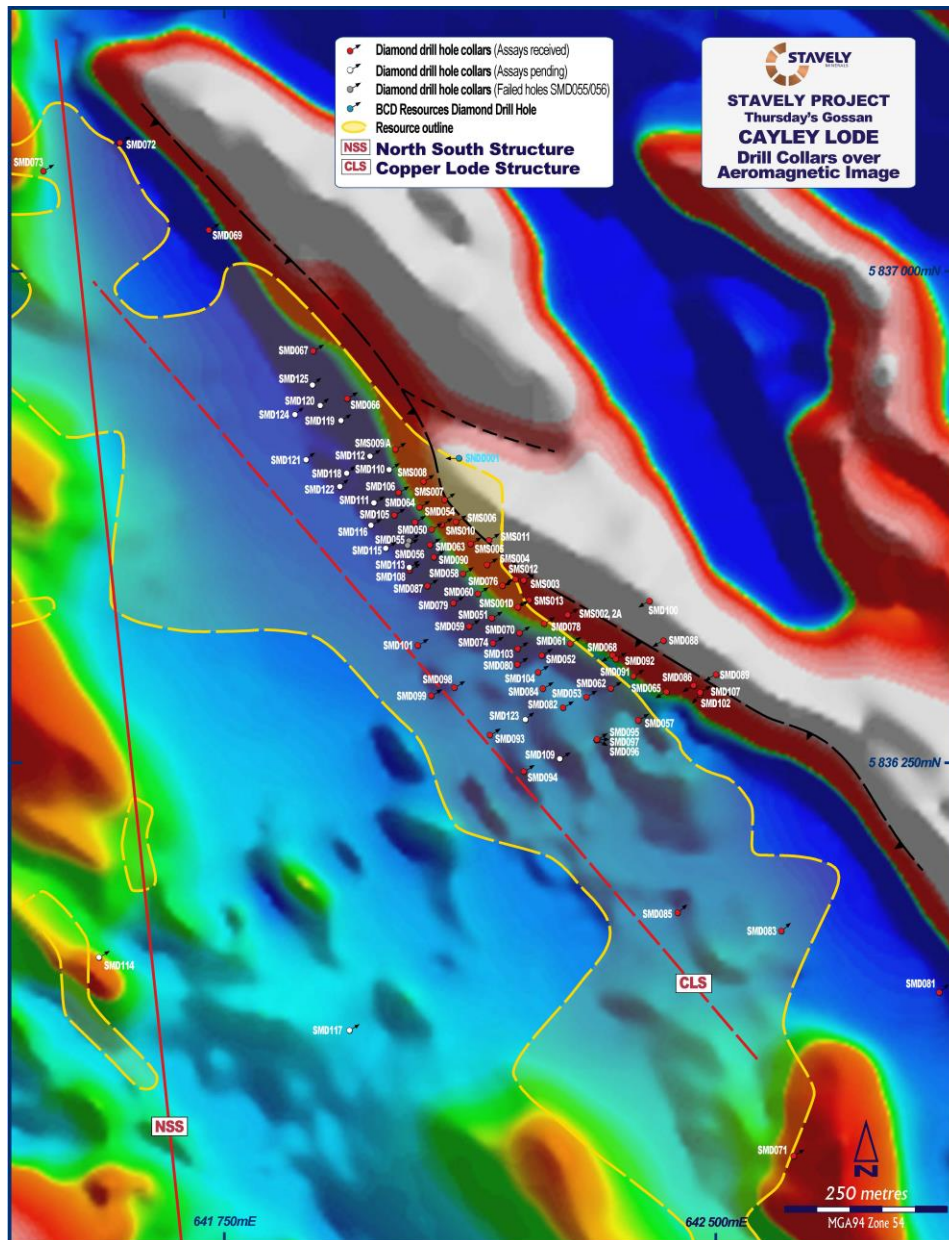


Figure 6. TMI Magnetic image of Thursday's Gossan with drill collars overlaid.

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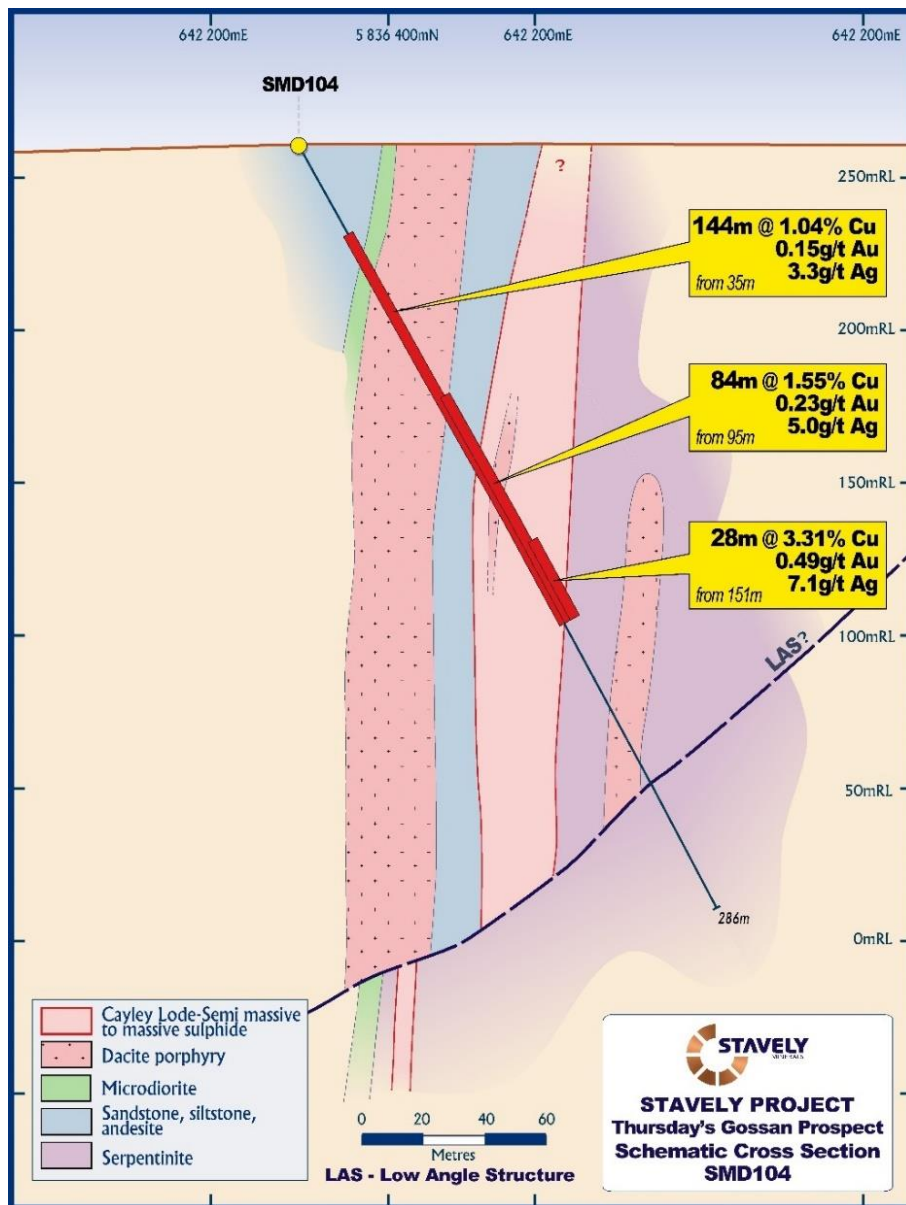


Figure 7. Drill hole SMD104 cross-section.



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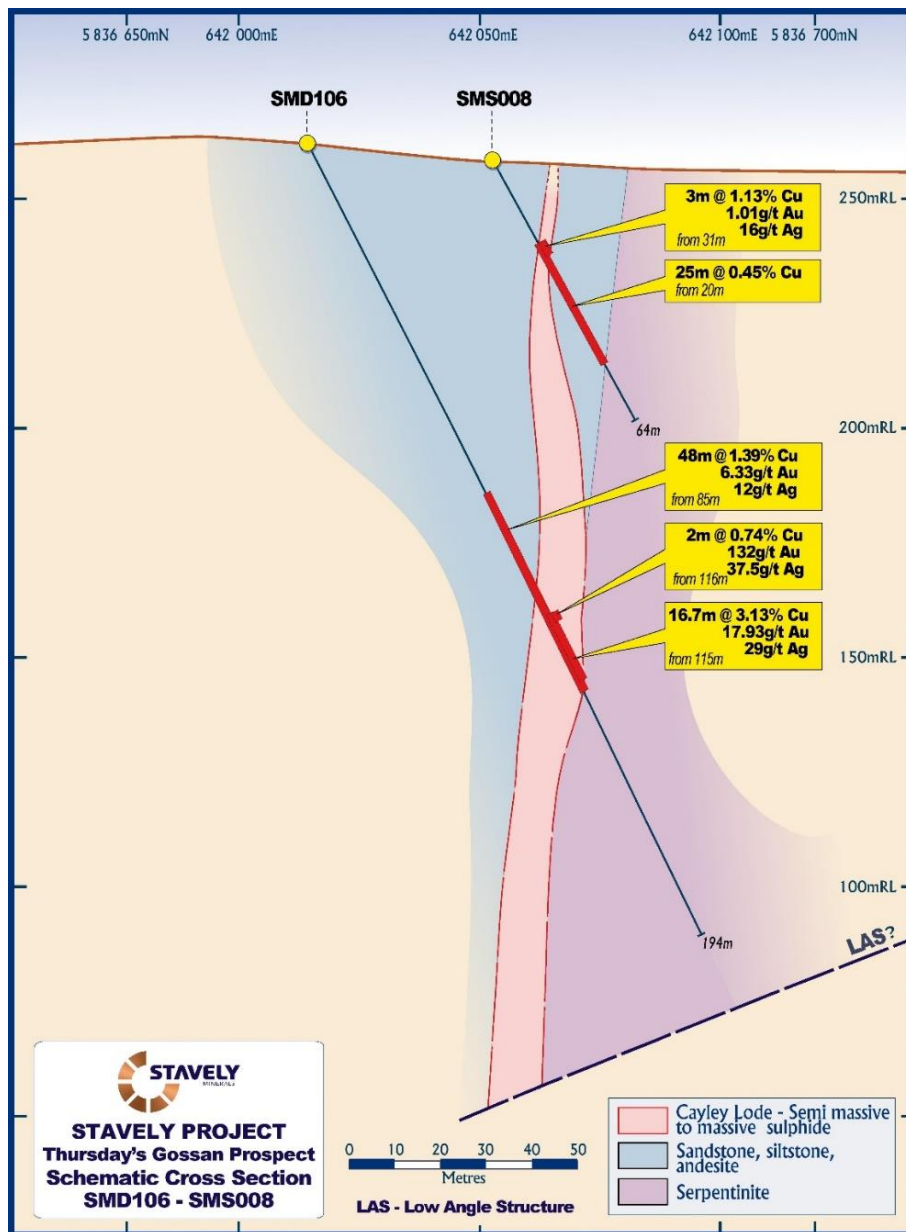


Figure 8. Drill hole SMD106 cross-section.

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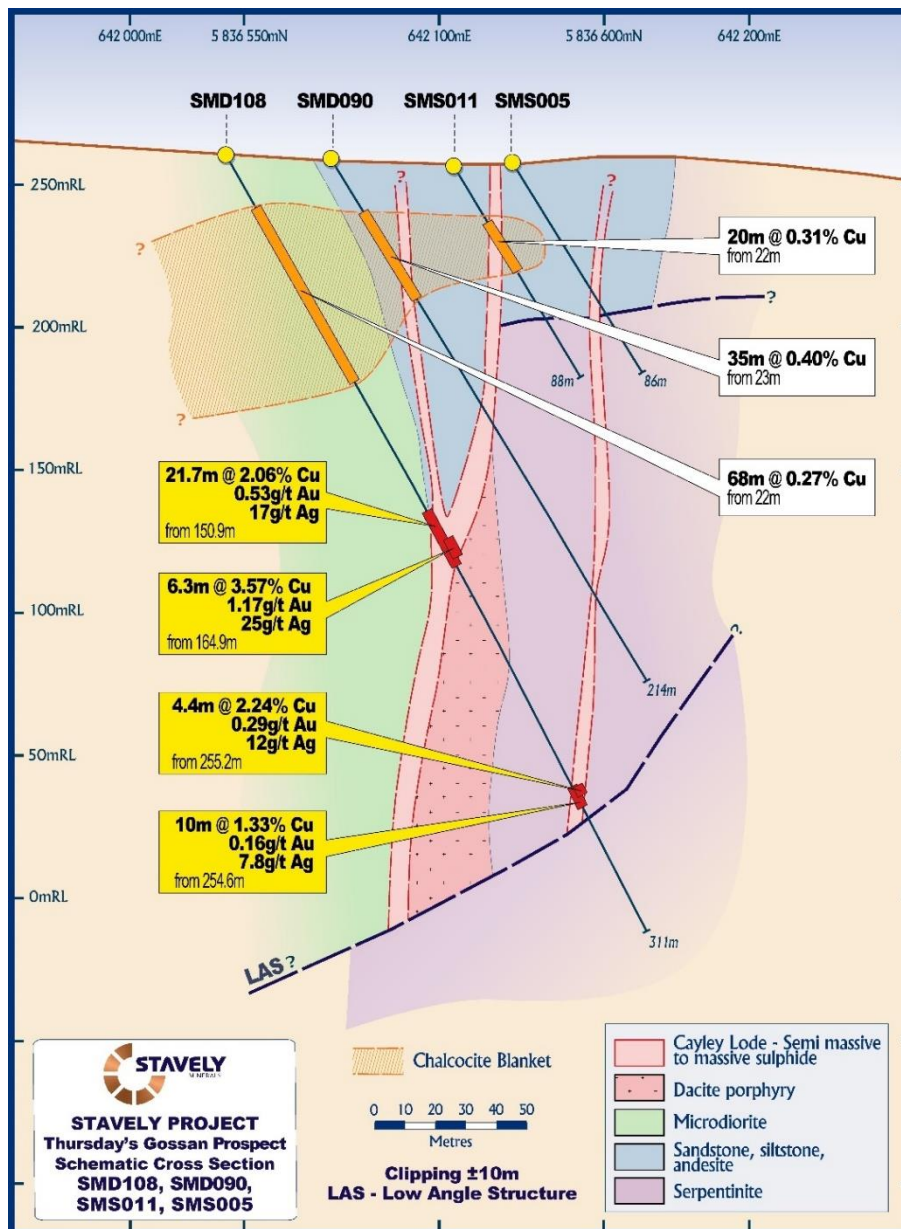


Figure 9. Drill hole SMD108 cross-section.

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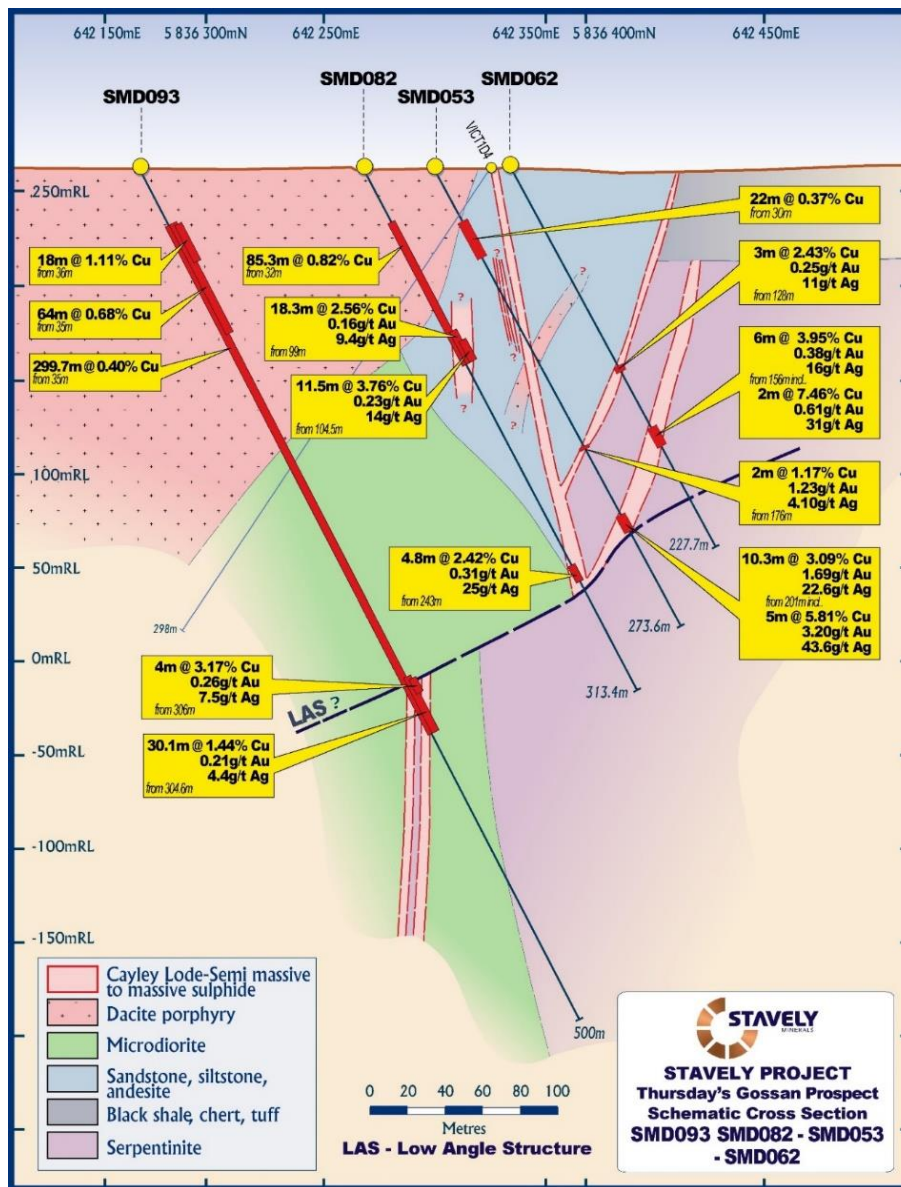


Figure 10. Drill hole SMD093 cross-section.

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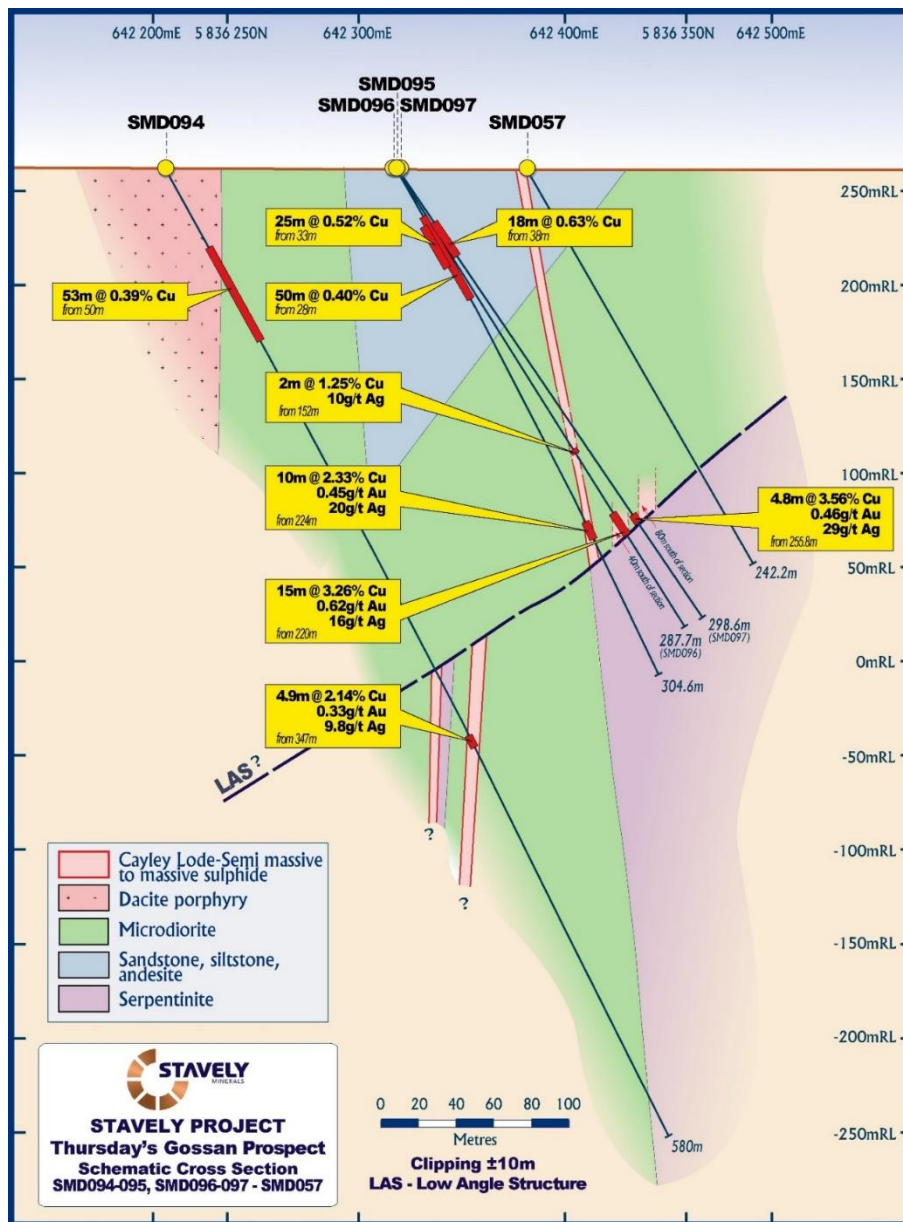


Figure 11. Drill holes SMD094 – 97 cross-section.

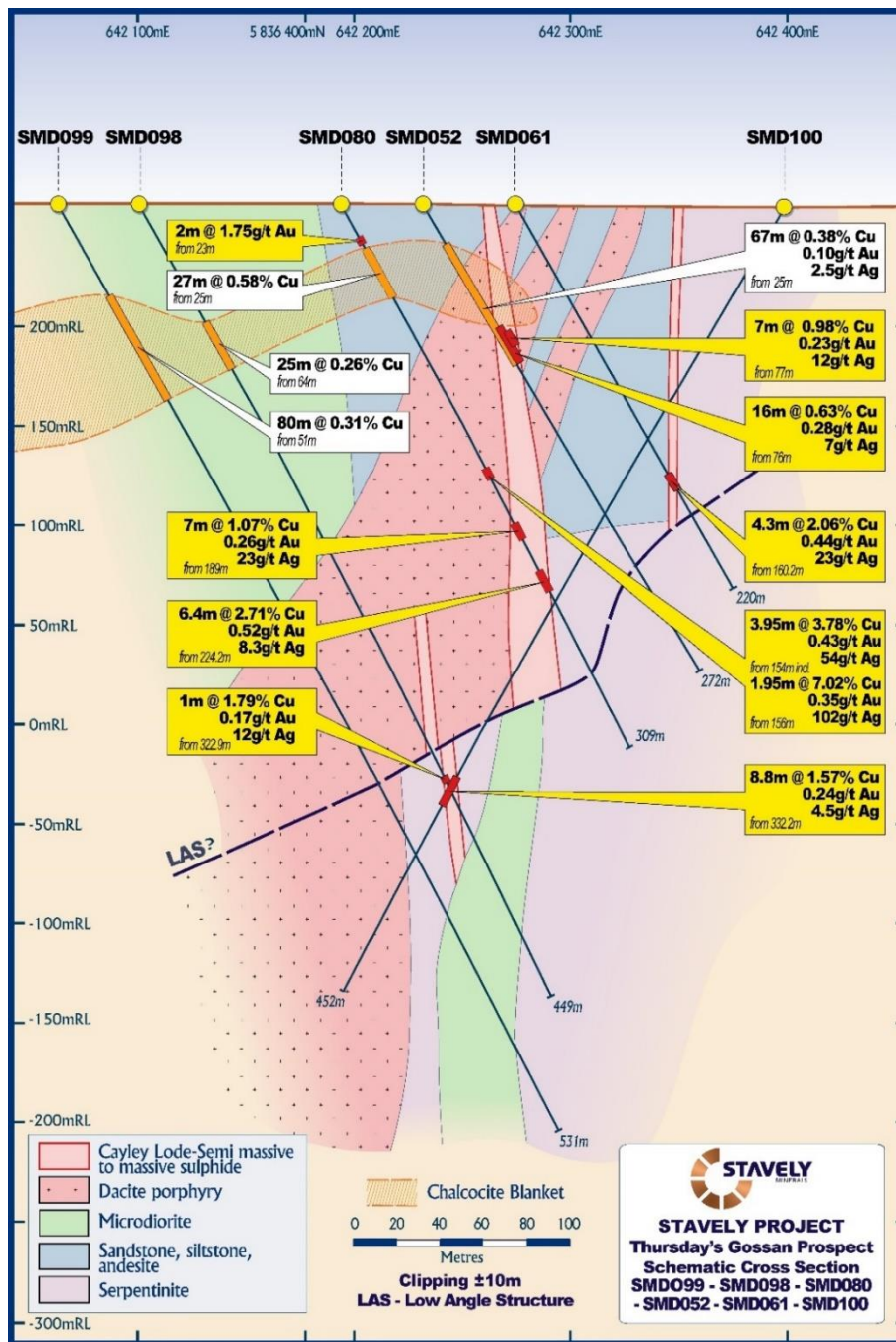


Figure 12. Drill hole SMD100 cross-section.

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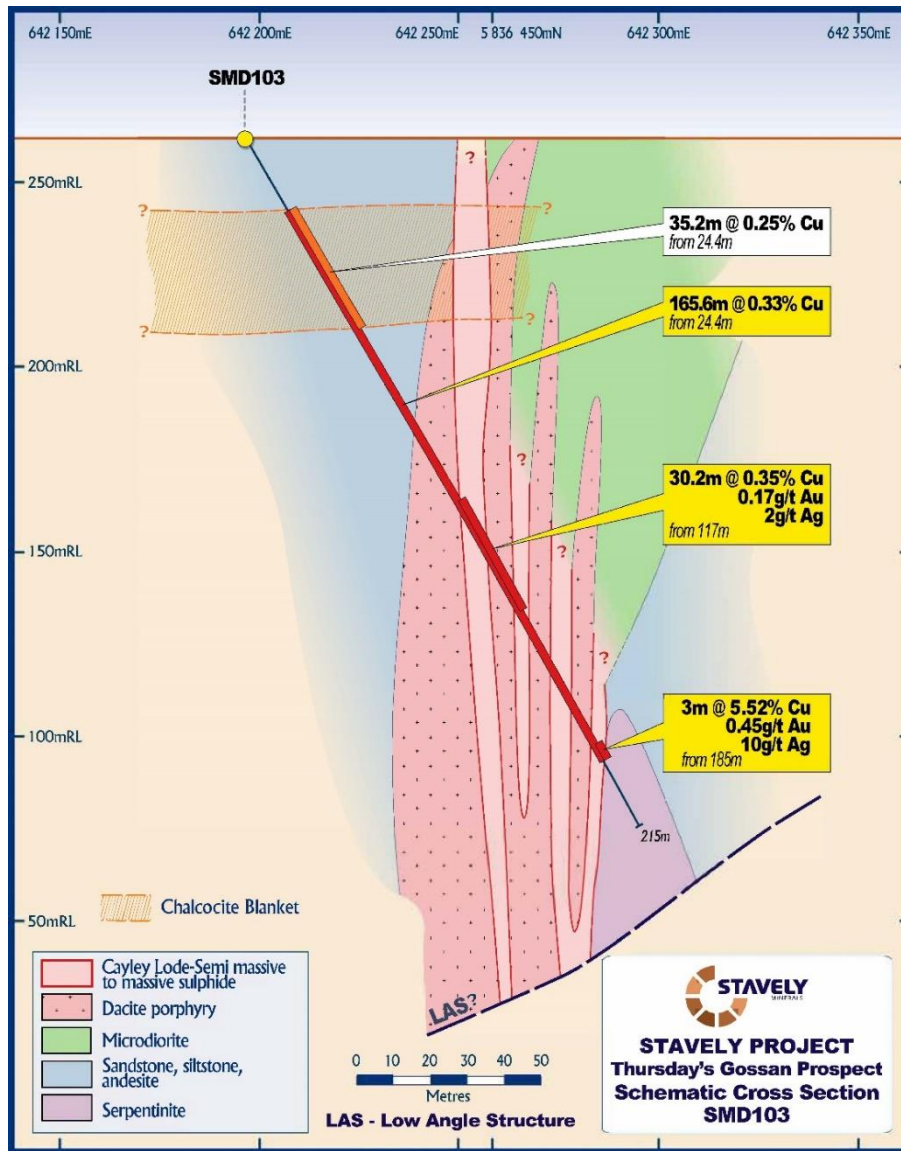


Figure 13. Drill hole SMD103 cross-section.

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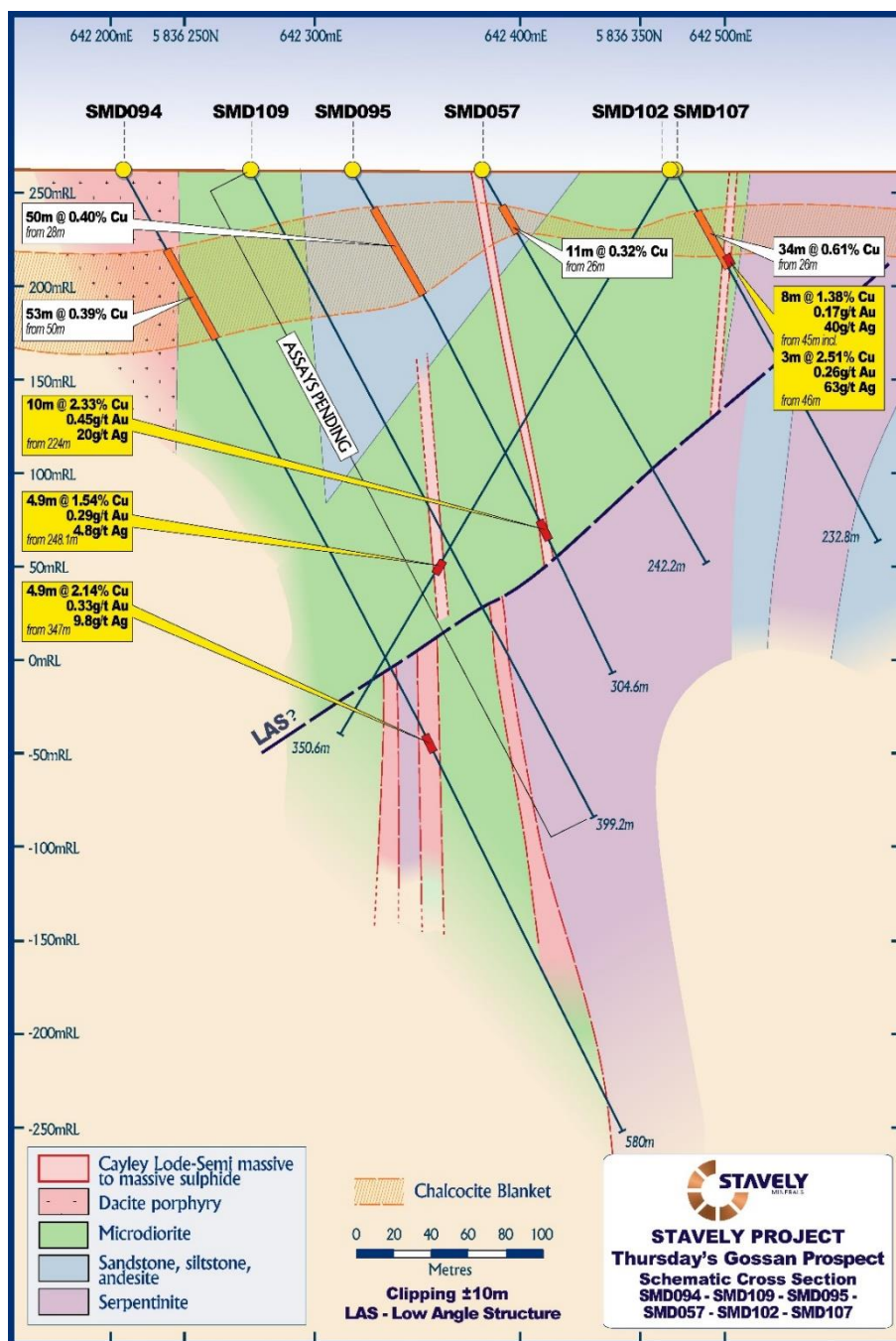


Figure 14. Drill hole SMD107 cross-section.

**Thursday's Gossan Prospect – Porphyry Target**

Two ~1,500m to 1,800m deep drill holes to test the two interpreted porphyry targets were in progress at the end of the half-year and were at 803.5m and 646.6m drill depth respectively. The collar locations of these two drill holes, SMD114 and SMD117, are shown on the collar location plans in Figure 5 and 6.

Both drill holes were cased-off with PW casing prior to Christmas, ready to resume HQ3 diameter drilling in the New Year. Completion of both porphyry target drill holes is expected in mid-February.

**Mount Stavelly Prospect**

One diamond drill hole, MSD003, was completed at the Mount Stavelly prospect. The hole was drilled to target a flexure in the ultramafic north of Mount Stavelly. The hole intersected sediments and ultramafic with only trace pyrite. No visible copper sulphides were noted.

### **Black Range Joint Venture Project (EL 5425)**

No on-ground exploration was conducted at the Black Range Project during the half-year.

### **Yarram Park Project (EL 5478)**

No on-ground exploration was conducted on the Yarram Park Project during the half-year.

### **RAVENSWOOD PROJECT (EPM26041, EPM26151, EPM26303 & EPM26304)**

No on-ground exploration was conducted on the Ravenswood Project during the half-year.

### **TASMANIA AND CENTRAL VICTORIA (EL19/2018, EL4/2019, EL6/2019, EL2/2015, EL3/2015, RL1/2011, EL6668)**

No on-ground exploration was conducted at the Tasmania and Central Victoria Projects during the half-year. The tenements were sold on 16 December 2020 (refer to Corporate section below for details).

### **ANNOUNCEMENTS**

The following announcements (available at [www.stavely.com.au](http://www.stavely.com.au)) provide a more detailed description of the Company's operational activities for the half-year ended 31 December 2020 and subsequent activities:

- 04/08/2020 - Drilling and Operations Update - COVID-19
- 12/08/2020 - Share Purchase Plan Closed Raising \$2.8M
- 25/08/2020 - Cayley Lode Continues to Deliver Outstanding Grades
- 31/08/2020 - Results of General Meeting
- 07/09/2020 - 2<sup>nd</sup> Tranche Placement and Cleansing Statement
- 27/10/2020 - Biggest Hit Yet in the Cayley Lode
- 2/11/2020 - Exceptional High-Grade Gold in Cayley Lode
- 16/12/2020 - Stavely Completes Sale of Gold Tenements
- 22/12/2020 - More Wide Copper-Gold Intercepts
- 09/02/2021 - Drilling Delivers New Wide Copper-Gold Intercepts

### **CORPORATE**

Stavely Minerals had a total of \$26.54M cash on hand at the end of December 2020.

During the half-year:

- the Company was successful in its application for participation in the Federal Government's Junior Minerals Exploration Incentive ("JMEI") scheme for the 2020/2021 income year. The Company received an allocation of up to \$1,750,000 in tax credits which can be distributed to eligible investors. The scheme is voluntary and companies must apply each year to participate. This is the third year in succession that Stavely Minerals has been successful in receiving an allocation of JMEI credits. Stavely's JMEI for 2018/2019 of \$1.576 million resulted in an average credit of 5.7 cents per share to each eligible investor in that year. The JMEI for 2019/2020 of \$1.35 million resulted in a credit of 6.88 cents per share to each eligible investor for that year.
- the Company completed a successful capital raising of \$27.8 million. The capital raising was underpinned by a Share Placement of approximately 41.67 million shares at 60 cents per share to sophisticated and institutional investors to raise \$25 million before costs and a Share Purchase Plan of approximately 4.6 million shares at 60 cents per share which raised approximately \$2.8 million.

The Placement, which was significantly over subscribed, was undertaken in two tranches, the first tranche of 28 million shares was issued in July 2020 and the second tranche, which was approved by shareholders at the General Meeting held on 31 August 2020, was issued in September 2020.

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The funds raised from the Placement and Share Purchase Plan are to be used to:

- Complete the shallow (0-200m) Mineral Resource drill-out at the Cayley Lode;
  - Identify additional lodes;
  - Drill test the deeper porphyry targets;
  - Progress a Phase 1 Open Pit Scoping Study; and
  - Provide additional working capital.
- During the half-year, the Company completed the sale of its wholly owned subsidiary, Stavelly Tasmania Pty Ltd, which holds the Mathinna/Alberton and Lefroy Goldfields tenements located in Northeast Tasmania, as well as its Fosterville East tenement in Victoria, to Nubian Resources Ltd (TSX-V: NBR) ('Nubian').
- The consideration for the sale comprised a A\$100,000 cash deposit and 4,195,708 Nubian shares (valued at A\$2.1 million at 31 December 2020). The shares are escrowed for four months.
  - In addition, 854,292 Nubian shares were issued to the owners of Joint Venture partner Bestlevel Holdings Pty Ltd (Bestlevel) for their 25% interest in the three Mathinna JV tenements.

### **SUBSEQUENT EVENTS**

On 9 February 2021, the Company entered into an option agreement with XXXX Gold Pty Ltd, a subsidiary of Sunshine Gold Ltd, to sell the Company's Ravenswood tenements for \$400,000 cash and a 1% net smelter royalty. XXXX Gold Pty Ltd paid a \$10,000 non-refundable option fee and has a 45 day due diligence period (to 26 March 2021) to exercise the option.

The impact of the Coronavirus (COVID-19) pandemic is ongoing and not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

No other matter or circumstance has arisen since 31 December 2020 that has significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group, in subsequent financial years.

Thursday's Gossan Prospect – Cayley Lode Intercept Table														
Hole id	Hole Type	MGA 94 zone 54					Intercept							
		East	North	Dip/ Azimuth	RL (m)	Total Depth (m)	From (m)	To (m)	Width (m)	Cu (%)	Au (g/t)	Ag (g/t)	Ni (%)	
SMD050	DD	642070	5836609	-60/59.5	264	132.6	19	28	9	0.32				
							62	94	32	5.88	1.00	58		
							82	94	12	14.3	2.26	145		
							85	87	2	40	3.00	517		
							96.7	101.1	4.4				3.98	
SMD051	DD	642160	5836476	-60/59.5	264	220.9	22	29	7	0.40				
							98	157	59	1.80	0.43	15.4		
							106.6	115.1	8.5	4.38	0.87	32.7		
							134.0	137.0	3.0	5.66	0.29	4.60		
							177.0	185	8.0	9.69	0.40	16.8		
SMD052	DD	642238	5836421	-60/59.5	264	271.7	25	92	67	0.38	0.10	2.5		
							Incl.	76	92	16	0.63	0.28	7.0	
							Incl.	77	84	7	0.98	0.23	12	
SMD053	DD	642302	5836355	-60/59.5	264	273.6	30	52	22	0.37				
							176	178	2	1.17	1.23	4.1		
							201	211.3	10.3	3.09	1.69	22.6		
							202	207	5	5.81	3.20	43.6		
							203	204	1	8.42	1.77	97		
							204	205	1	2.91	8.69	23.9		
SMD054	DD	642048	5836641	-60/59.5	264	245.52	22	29	7	0.41				
							55	57	2	1.89	0.56	16		
							86	97	11	4.62	0.57	25		
							Incl.	90	97	7	7.10	0.72	39	
							Incl.	92	95	3	10.87	0.67	52	
							96	101	5				1.42	
SMD055	DD	642032	5836595	-60/59.5	264	169.9	21.4	59	37.6	0.41				
							Incl.	24	29	5	1.00	0.32	7	
							78	83	5	1.37	0.17	8		
							156	157	1	1.18	0.72	8		
							162	163	1	3.64	0.60	43		
SMD056	DD	642031	5836590	-60/59.5	264	185.8	24	82	58	0.29				
							Incl.	79	82	3	1.68	0.18	8	
							157	165.3	8.3	1.65	0.23	7.2		
							Incl.	157	160	3	3.75	0.25	10.2	
SMD057	DD	642386	5836309	-60/59.5	264	242.2	26	37	11	0.32				

Thursday's Gossan Prospect – Cayley Lode Intercept Table														
Hole id	Hole Type	MGA 94 zone 54					Intercept							
		East	North	Dip/ Azimuth	RL (m)	Total Depth (m)	From (m)	To (m)	Width (m)	Cu (%)	Au (g/t)	Ag (g/t)	Ni (%)	
SMD058	DD	642115	5836542	-60/59.5	264	140.5	19	48	29	0.37				
							68	91	23	1.34	0.26	3.5		
							Incl.	88	91	3	6.33	0.27	2.9	
SMD059	DD	642122	5836461	-60/59.5	264	317.8	21	22	1		3.15	25		
							22	39	17	0.41	0.23	4.5		
							197	202	5	3.28	0.27	13		
							235	253	18	1.00	0.10	3		
							Incl.	245.8	252.6	6.8	1.85	0.17	6	
SMD060	DD	642137	5836508	-60/59.5	264	203.2	19.2	135.4	102.3 <sup>1</sup>	0.68				
							Incl.	74	135.4	48.2 <sup>2</sup>	1.04	0.31	14	
							Incl.	74	86	12	1.55	0.63	13	
							and	111	135.4	13.6 <sup>3</sup>	1.90	0.38	33	
							Incl.	129	135.1	6.10	3.55	0.73	41	
								116.6	119	2.4 <sup>4</sup>				1.20
SMD061	DD	642276	586435	-60/59.5	264	219.5	160.2	164.5	4.3	2.06	0.44	23		
SMD062	DD	642337	5836367	-60/59.5	264	227.70	128	131	3.0	2.43	0.25	11		
							156	162	6.0	3.95	0.38	16		
							Incl.	160	162	2.0	7.46	0.61	31	
							and	160	161	1.0	10.5	0.86	35	
SMD063	DD	642063	5836585	-60/59.5	264	162.7	21	40	19	0.30				
							106	107	1.0	1.10	0.16	5.5		
SMD064	DD	642041	5836619	-60/59.5	264	184.9	20	47	27	0.26				
							121	129	8.0	5.12	1.48	34		
							Incl.	128	129	1.0	26.8	8.48	201	
SMD065	DD	642427	5836356	-60/239.5	264	350	No Significant Results							
SMD066	DD	641936	5836807	-60/59.5	264	294	15	18	3		0.41			
							17	30	13	0.53	0.11	8.0		
SMD067	DD	641884	5836880	-60/59.5	264	236	16	34	18	0.43	0.35	13		
							Incl.	25	27	2.0	1.21	0.27	27	
							107	109	2.0	1.32		8		
SMD068	DD	642342	5836414	-60/239.5	264	342	50.3	102	51.7	0.39				
							Incl.	98	102	4	1.75	0.31	16	
							285	287	2	0.26	0.65	1.8		
SMD069	DD	641725	5837063	-60/59.5	264	130.7	22	37	15		0.12			
							26	37	11	0.32	0.12	6.7		

Thursday's Gossan Prospect – Cayley Lode Intercept Table													
Hole id	Hole Type	MGA 94 zone 54					Intercept						
		East	North	Dip/ Azimuth	RL (m)	Total Depth (m)	From (m)	To (m)	Width (m)	Cu (%)	Au (g/t)	Ag (g/t)	Ni (%)
SMD070	DD	642199	5836451	-60/59.5	264	275.9	20	95	75.0	0.60	0.19	5	
						Incl.	65	84	19.0	1.48	0.40	15	
						and	69.3	73	3.7	6.02	1.18	66	
						and	71	72	1.0	9.23	2.67	125	
SMD072	DD	641585	5837196	-60/59.5	264	100.9	No Significant Results						
SMD073	DD	641473	5837155	-60/59.5	264	409.9	149	153	4.0	1.31	0.31	6	
						Incl.	359	364	5.0	0.25	1.67	27	
							361.1	362	0.9	0.42	4.58	51	
SMD074	DD	642162	5836437	-60/59.5	264	302	25	59	34.0	0.32			
							176	183.6	7.6	1.36	0.24	7	
							193	197.7	4.3 <sup>s</sup>	1.94	0.27	10	
							213	234.3	21.3	1.31	0.43	6	
SMD076	DD	642174	5836523	-60/59.5	264	198.4	128	144	16	1.01	0.24	6.5	
						Incl.	139	144	5	2.42	0.55	14	
SMD078	DD	642237	5836464	-60/59.5	264	274.9	227.2	231	3.8	4.97	3.08	81	
SMD079	DD	642099	5836496	-60/59.5	264	306.7	24	41	17	0.31			
							86	87	1	1.29	0.41	9	
							141	144	3	1.38	0.15	5	
							153	154	1	1.16	0.31	8	
							159	161	2	0.64	1.82	8.4	
							207.9	211	3.1	3.16	0.70	30	
SMD080	DD	642196	5836406	-60/59.5	264	309.3	23	25	2	1.75			
							25	52	27	0.58			
						Incl.	154	157.95	3.95	3.78	0.43	54	
							156	157.95	1.95	7.02	0.35	102	
							189	196	7	1.07	0.26	23	
							224.2	230.6	6.4	2.71	0.52	8.3	
SMD082	DD	642264	5836342	-60/59.5	264	313.4	32	117.3	85.3	0.82			
						Incl.	99	117.3	18.3	2.56	0.16	9.4	
						Incl.	104.5	116	11.5	3.76	0.23	14	
							243	247.8	4.8	2.42	0.31	25	
SMD083	DD	642599	5835995	-60/49.5	264	433.1	29	41	12	0.29			
SMD084	DD	642236	5836364	-60/59.5	264	278.1	43	72	29	0.44			
							132	201	69	1.00	0.18	5.4	
						Incl.	157	201	44	1.43	0.26	7.3	
						Incl.	197	201	4	4.16	0.61	23	

Thursday's Gossan Prospect – Cayley Lode Intercept Table														
Hole id	Hole Type	MGA 94 zone 54					Intercept							
		East	North	Dip/ Azimuth	RL (m)	Total Depth (m)	From (m)	To (m)	Width (m)	Cu (%)	Au (g/t)	Ag (g/t)	Ni (%)	
SMD085	DD	642444	5836022	-60/49.5	264	522.3	28	67	39	0.41				
							339	362	23	1.07	0.11			
							Incl.	357	361	4	4.44	0.26	7.9	
							Incl.	358	359	1	9.44	0.22	6.4	
SMD086	DD	642465	5836370	-60/239.5	264	385.9	142	154	12	1.01	0.18	2.6		
							Incl.	149	153	4	2.33	0.42	5.3	
								261	262	1	2.17	7.06	7.9	
								301	308	7	0.16	0.48	15	0.32
								318	321	3	0.49	0.29	3.4	
								326	327	1	5.90	0.33	47	
SMD087	DD	642060	5836522	-60/59.5	264	268.3	24	40	16	0.37				
								140	227 <sup>6</sup>	87	1.74	0.57	20	
							Incl.	163	187	24	4.19	1.27	53	
							and	170	172	2	11.75	1.45	66	
							and	181.7	183.2	1.5	13.28	2.58	209	
							and	185.6	186.4	0.8	24.1	1.16	249	
							and	185	187	2	9.95	0.71	107	0.89
							Incl.	218	227	9	4.09	1.83	39	
and	226	227	1	1.30	10.05	48								
SMD088	DD	642427	5836445	-60/239.5	264	405.5	212.3	242.3	30	1.98	0.23	9.1		
							Incl.	216	226.8	10.8	3.20	0.31	16	
							and	233.2	239	5.8	3.54	0.43	14	
								319.5	370	50.5	0.88	0.11	3.8	
							Incl.	319.5	331.2	11.7	1.42	0.15	4.5	
							and	342	357.6	15.6	1.26	0.17	5.0	
and	365.6	370	4.4	1.61	0.20	5.7								
SMD089	DD	642502	5836384	-60/239.5	262	502.1	87	98.8	11.8	1.54	0.42	14		
							Incl.	91	94	3	3.28	1.09	34	
								214	233.9	19.9	2.40	0.35	17	
							Incl.	219	226.1	7.1	4.30	0.52	35	
							Incl.	219	222	3	6.02	0.71	52	
								271	280.7	9.7	3.10	0.97	26	
							Incl.	273	275	2	7.86	2.09	88	
							Incl.	273	274	1	11.05	2.73	131	

## Thursday's Gossan Prospect – Cayley Lode Intercept Table

Hole id	Hole Type	MGA 94 zone 54					Intercept						
		East	North	Dip/ Azimuth	RL (m)	Total Depth (m)	From (m)	To (m)	Width (m)	Cu (%)	Au (g/t)	Ag (g/t)	Ni (%)
SMD090	DD	642068	5836563	-60/59.5	262	213.8	23	58	35	0.40			
						Incl.	54	56	2	1.10	1.06	18	
SMD091	DD	642374	5836383	-60/59.5	262	191	No Significant Results						
SMD092	DD	642346	5836411	-60/59.5	262	222	No Significant Results						
SMD093	DD	642153	5836294	-60/59.5	262	515.1	35	334.7	299.7	0.40			
						Incl.	35	99	64	0.68			
						Incl.	36	54	18	1.11			
							304.6	334.7	30.1	1.44	0.21	4.4	
						Incl.	306	310	4	3.17	0.26	7.5	
SMD094	DD	642205	5836237	-60/59.5	262	608.3	50	103	53	0.39			
							347	351.9	4.9	2.14	0.33	9.8	
SMD095	DD	642205	5836237	-60/59.5	262	304.6	28	78	50	0.40			
							224	234	10	2.33	0.45	20	
SMD096	DD	642319	5836284	-60/71.5	262	287.7	33	58	25	0.52			
							152	154	2	1.25		10	
							220	235	15	3.26	0.62	16	
							220	235	15	3.59	2.73	18	
						Incl.	222	223	1	2.41	24.6	16.5	
SMD097	DD	642319	5836284	-60/88.5	262	298.6	38	56	18	0.63			
							255.8	260.6	4.8	3.56	0.46	29	
SMD098	DD	642102	5836364	-60/59.5	262	449.1	64	89	25	0.26			
SMD099	DD	642063	5836352	-60/59.5	262	531	51	131	80	0.31			
							183	184	1	1.79	0.47	6.4	
SMD100	DD	642396	5836495	-60/239	259	451.8	118	121.6	3.6	0.34	0.21	13	
							222	226	4	0.20	0.51	2.7	
							297	305	8	0.66	0.27	7.2	
							332.2	341	8.8	1.57	0.24	4.5	
SMD101	DD	642044	5836427	-70/59	260	379.7	24	40	16		0.21	3.9	
							31	51	20	0.61			
							93	94	1	1.22	0.17	9.7	
							144	149	5	0.30	0.11	2.2	

**Thursday's Gossan Prospect – Cayley Lode Intercept Table**

		MGA 94 zone 54					Intercept							
Hole id	Hole Type	East	North	Dip/ Azimuth	RL (m)	Total Depth (m)	From (m)	To (m)	Width (m)	Cu (%)	Au (g/t)	Ag (g/t)	Ni (%)	
SMD102	DD	642471	5836355	-60/223	260	350.6	50	54	4	0.16				
							134	177	43	0.24				
							248.1	253	4.9	1.54	0.29	4.8		
							270	290	20	0.25				
							320	321	1	1.13	1.44	4.4		
SMD103	DD	642196	5836425	-60/59	261	214.6	24.4	59.6	35.2	0.25				
							24.4	190	165.6	0.33				
							Incl.	24.4	59.6	35.2	0.25			
							and	117	147.2	30.2	0.35	0.17	2	
							Incl.	185	188	3	5.52	0.45	10	
SMD104	DD	642225	5836386	-60/59	261	285.6	35	179	144	1.04	0.15	3.4		
							Incl.	95	179	84	1.55	0.23	5.0	
							Incl.	151	179	28	3.31	0.49	7.1	
SMD105	DD	642009	5836628	-60/59	258	315.6	22	29	7	0.30				
							126	139	13	0.40	0.37	8		
SMD106	DD	642015	5836661	-60/59	258	193.8	85 <sup>7</sup>	133	48	1.39	6.33	12		
							Incl.	115 <sup>8</sup>	131.7	16.7	3.13	17.93	29	
							Incl.	116	118	2	0.74	132	38	
							and.	130.8	131.7	0.9	21.10	17.45	232	
SMD107	DD	642471	5836359	-60/59	260	232.8	26	60	34	0.61	0.07	14		
							45	53	8	1.37	0.18	40		
							Incl.	46	49	3	2.51	0.36	63	
SMD108	DD	642031	5836548	-60/59	260	310.7	22	90	68	0.27				
							150.9	172.6	21.7	2.06	0.53	17		
							Incl.	164.9	171.2	6.3	3.57	1.17	25	
							254.6	264.6	10	1.33	0.16	7.8		
							Incl.	255.2	259.6	4.4	2.24	0.29	12	
SMD109	DD	642261	5836257	-60/59	260	399.2	Assays Pending							
SMD110	DD	642000	5836699	-60/59	260	252.4	Assays Pending							
SMD111	DD	641977	5836648	-60/59	260	294.2	Assays Pending							
SMD112	DD	641971	5836718	-60/59	260	274.4	Assays Pending							
SMD113	DD	642031	5836553	-58/56	260	280.3	Assays Pending							
SMD115	DD	641995	5836579	-60/59	261	296.3	Assays Pending							
SMD116	DD	641972	5836613	-60/58	261	304.2	Assays Pending							

Thursday's Gossan Prospect – Cayley Lode Intercept Table													
Hole id	Hole Type	MGA 94 zone 54					Intercept						
		East	North	Dip/ Azimuth	RL (m)	Total Depth (m)	From (m)	To (m)	Width (m)	Cu (%)	Au (g/t)	Ag (g/t)	Ni (%)
SMD118	DD	641936	5836691	-60/52	261	247.9	Assays Pending						
SMD119	DD	641927	5836771	-60/59	262	246.5	Assays Pending						
SMD120	DD	641896	5836793	-62/58	261	233	Assays Pending						
SMD121	DD	641875	5836711	-60/60	261	292.9	Assays Pending						
SMD122	DD	641926	5836671	-60/58	261	292.6	Assays Pending						
SMD123	DD	642209	5836316	-60/59	261	380.1	Assays Pending						
SMD124	DD	641858	5836779	-60/59	261	242.8	Assays Pending						
SMD125	DD	641885	5836827	-60/59	261	168.5	Assays Pending						
SMS001D	Sonic/ DD	642197	5836489	-60/59.5	264	212	No Significant Results						
SMS002AD	Sonic/ DD	642275	5836478	-60/59.5	264	105.4	No Significant Results						
SMS003	Sonic	642207	5836523	-60/59.5	264	97	No Significant Results						
SMS004	Sonic	642150	5836555	-60/59.5	264	131.5	No Significant Results						
SMS005	Sonic	642125	5836587	-60/59.5	264	85.5	No Significant Results						
SMS006	Sonic	642102	5836620	-60/59.5	264	76	3	51	48		0.29		
						Incl.	19	51	32	0.26			
						Incl.	45	47	2	1.42	0.32	12	
SMS007	Sonic	642085	5836654	-60/59.5	264	64	13	39	26		0.77		
						Incl.	22	42	20	1.36	0.85	12	
							24	39	15	1.68	1.09	14	
							42	45	3				1.46
SMS008	Sonic	642055	5836680	-60/59.5	264	64	20	45	25	0.45			
						Incl.	20	23	3	1.13	1.01	16	
SMS009	Sonic	642011	5836730	-60/59.5	264	54	32	54	22	0.69	0.13	3.6	
						Incl.	51	54	3	1.87	0.47	16	
SMS009A	Sonic	642011	5836730	-60/59.5	264	80	43	49	6	3.00	0.59	15	
SMS010	Sonic	642083	5836614	-60/59.5	264	83	20	79	59	0.44	0.20	2.2	
						Incl.	38	41	3	1.33	0.84	6.5	
SMS011	Sonic	642106	5836581	-60/59.5	264	88	22	42	20	0.31			
SMS012	Sonic	642193	5836530	-60/239.5	261	80	43	77	34	0.90	0.24		
						Incl.	46	55	9	2.24	0.67	18.0	
						Incl.	52	55	3	5.20	1.46	30.0	
SMS013	Sonic	642212	5836497	-60/234.5	262	58	10	40	30		0.23		
						Incl.	31	40	9	1.13	0.60	4.2	
						Incl.	38	39	1	3.52	2.53	14	



Note - Chalcocite Blanket results are shown in blue.

1. Excluding 13.9m of core loss
2. Excluding 13.2m of core loss
3. Excluding 10.8m of core loss
4. 1.8m of core loss immediately above this interval
5. 0.4m of core loss included in this interval
6. 0.3m of core loss included in this interval
7. 0.6m core loss included in this interval
8. 0.3m core loss included in this interval

## AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declarations as required under section 307C of the Corporations Act 2001 is included in this report and can be found on the page following this report.

Signed in accordance with a resolution of the Directors.



Christopher Cairns  
Executive Chairman

Perth, Western Australia

10 March 2021

*The information in this report that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Chris Cairns, a Competent Person who is a Member of the Australian Institute of Geoscientists. Mr Cairns is a full-time employee of the Company. Mr Cairns is Executive Chairman and Managing Director of Stavelly Minerals Limited, is a shareholder of the Company and is an option holder of the Company. Mr Cairns has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Cairns consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*

*With respect to reporting of the Mineral Resources at the Mt Ararat VMS copper-gold-zinc deposit, the information is extracted from the report entitled "Stavelly Minerals Limited – Prospectus" created on 26 March 2014 and is available to view on [www.stavelly.com.au](http://www.stavelly.com.au). The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.*



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## DECLARATION OF INDEPENDENCE BY JARRAD PRUE TO THE DIRECTORS OF STAVELY MINERALS LIMITED

As lead auditor for the review of Stavelly Minerals Limited for the half-year ended 31 December 2020, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Stavelly Minerals Limited and the entities it controlled during the period.



**Jarrad Prue**  
**Director**

**BDO Audit (WA) Pty Ltd**  
Perth, 10 March 2021

		Consolidated	
		Six months ended 31 December 2020	Six months ended 31 December 2019
Note		\$	\$
<b>Revenue and Income</b>			
	Interest revenue	65,194	53,975
	Rental sub-lease revenue	16,650	17,097
	Government subsidies	50,000	-
	Proceeds on sale of fixed assets	12,000	5,445
		143,844	76,517
<b>Expenses</b>			
	Administration and corporate expenses	2(a) (1,010,655)	(1,026,498)
	Administration – equity based payments	2(a) (1,212,535)	(1,338,930)
	Exploration expensed	2(b) (7,761,003)	(3,825,162)
	Interest expense	2(c) (7,468)	(11,928)
	Total expenses	(9,991,661)	(6,202,518)
<b>Other gains</b>			
	Net fair value gains on financial assets at fair value through profit or loss	3 540,806	-
	Gain on disposal of subsidiary	4 1,298,159	-
	Total other gains	1,838,965	-
	<b>Loss before income tax</b>	<b>(8,008,852)</b>	<b>(6,126,001)</b>
	Income tax expense	-	-
	<b>Loss after income tax attributable to members of Stavely Minerals Limited</b>	<b>(8,008,852)</b>	<b>(6,126,001)</b>
<b>Other comprehensive income/(loss)</b>			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
	Other	-	-
	<b>Other comprehensive income/(loss) for the period, net of tax</b>	-	-
	<b>Total comprehensive loss for the period</b>	<b>(8,008,852)</b>	<b>(6,126,001)</b>
<b>Loss per share for the half-year attributable to the members of Stavely Minerals Limited</b>			
	Basic loss per share	5 Cents Per Share (3.20)	Cents Per Share (3.13)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

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	Note	Consolidated	
		31 December 2020	30 June 2020
		\$	\$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents		26,538,702	9,424,932
Other receivables		601,807	469,527
<b>Total Current Assets</b>		<b>27,140,509</b>	<b>9,894,459</b>
<b>Non-Current Assets</b>			
Financial assets at fair value through Profit or Loss	3	2,152,147	-
Receivables		43,058	139,500
Right of use assets		175,136	212,956
Property, plant and equipment		137,829	184,226
Deferred exploration expenditure acquisition costs	6	3,696,057	4,099,719
<b>Total Non-Current Assets</b>		<b>6,204,227</b>	<b>4,636,401</b>
<b>Total Assets</b>		<b>33,344,736</b>	<b>14,530,860</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables		1,576,604	2,090,865
Lease liabilities – Right of use assets		82,834	79,239
Provisions		190,035	174,070
<b>Total Current Liabilities</b>		<b>1,849,473</b>	<b>2,344,174</b>
<b>Non-Current Liabilities</b>			
Lease liabilities – Right of use assets		137,554	182,546
<b>Total Non-Current Liabilities</b>		<b>137,554</b>	<b>182,546</b>
<b>Total Liabilities</b>		<b>1,987,027</b>	<b>2,526,720</b>
<b>Net Assets</b>		<b>31,357,709</b>	<b>12,004,140</b>
<b>Equity</b>			
Issued capital	7	76,523,797	50,033,910
Reserves		7,019,723	6,147,189
Accumulated losses		(52,185,811)	(44,176,959)
<b>Total Equity</b>		<b>31,357,709</b>	<b>12,004,140</b>

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

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	Consolidated	
	31 December 2020	31 December 2019
	\$	\$
<b>Cash flows from operating activities</b>		
Receipts in the ordinary course of activities (incl. GST)	888,451	423,238
Payments to suppliers and employees	(9,406,886)	(4,105,880)
Interest received	79,393	15,308
<b>Net cash flows used in operating activities</b>	<u>(8,439,042)</u>	<u>(3,667,334)</u>
<b>Cash flows from investing activities</b>		
Payments for plant and equipment	(123,017)	(34,460)
Proceeds from disposal of plant and equipment	12,000	5,445
Payments for bonds	(2,000)	(25,000)
Bonds repaid	67,000	-
Payments for exploration acquisitions (capitalised)	(604,521)	(28,450)
Sale of subsidiary	100,000	-
Other – deposit refunded	-	100,000
<b>Net cash flows from/(used in) investing activities</b>	<u>(550,538)</u>	<u>17,535</u>
<b>Cash flows from financing activities</b>		
Proceeds from issue of shares	27,787,000	19,610,000
Payment of share issue costs	(1,637,113)	(1,287,560)
Payment of lease liabilities (right of use assets)	(46,537)	(47,108)
<b>Net cash flows from/(used in) financing activities</b>	<u>26,103,350</u>	<u>18,275,332</u>
<b>Net increase/(decrease) in cash and cash equivalents held</b>	17,113,770	14,625,533
Add opening cash and cash equivalents	9,424,932	2,875,862
<b>Closing cash and cash equivalents</b>	<u><u>26,538,702</u></u>	<u><u>17,501,395</u></u>

The above consolidated statement of cashflows should be read in conjunction with the accompanying notes.

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	Issued Capital \$	Reserves \$	Accumulated Losses \$	Total Equity \$
<b>At 1 July 2019</b>	<b>31,711,470</b>	<b>4,468,259</b>	<b>(28,821,163)</b>	<b>7,358,566</b>
Change in Accounting Policy – refer note 1(c)	-	-	(49,576)	(49,576)
Restated Equity at the beginning of the half-year	31,711,470	4,468,259	(28,870,739)	7,308,990
Loss for the half-year	-	-	(6,126,001)	(6,126,001)
Other comprehensive income/(loss)	-	-	-	-
<b>Total comprehensive loss for the half-year, net of tax</b>	<b>-</b>	<b>-</b>	<b>(6,126,001)</b>	<b>(6,126,001)</b>
<b>Transactions with owners in their capacity as owners:</b>				
Issue of share capital	19,610,000	-	-	19,610,000
Cost of issue of share capital	(1,287,560)	-	-	(1,287,560)
Share based payments - options	-	1,338,930	-	1,338,930
	18,322,440	1,338,930	-	19,661,370
<b>As at 31 December 2019</b>	<b>50,033,910</b>	<b>5,807,189</b>	<b>(34,996,740)</b>	<b>20,844,359</b>
<b>At 1 July 2020</b>	<b>50,033,910</b>	<b>6,147,189</b>	<b>(44,176,959)</b>	<b>12,004,140</b>
Loss for the half-year	-	-	(8,008,852)	(8,008,852)
Other comprehensive income/(loss)	-	-	-	-
<b>Total comprehensive loss for the half-year, net of tax</b>	<b>-</b>	<b>-</b>	<b>(8,008,852)</b>	<b>(8,008,852)</b>
<b>Transactions with owners in their capacity as owners:</b>				
Issue of share capital	27,787,000	-	-	27,787,000
Cost of issue of share capital	(1,637,113)	-	-	(1,637,113)
Share based payments - options	-	1,212,534	-	1,212,534
Share based payments – royalty purchase	340,000	(340,000)	-	-
	26,489,887	872,534	-	27,362,421
<b>As at 31 December 2020</b>	<b>76,523,797</b>	<b>7,019,723</b>	<b>(52,185,811)</b>	<b>31,357,709</b>

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

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## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### (a) Basis of Preparation

This half-year financial report for the six months ended 31 December 2020 has been prepared in accordance with AASB 134 Interim Financial Reporting and the Corporations Act 2001 and was authorised for issue in accordance with a resolution of the directors on 10 March 2021.

These half-year financial reports do not include all the notes of the type normally included in annual financial reports and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Company as the full financial reports.

The half-year financial reports should be read in conjunction with the annual financial reports for the year ended 30 June 2020 and any public announcements made by Stavelly Minerals Limited during the half-year reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001. For the purpose of preparing the half-year financial statements, the half-year has been treated as a discrete reporting period.

The financial report is presented in Australian dollars, which is the Company's functional and presentation currency.

Stavelly Minerals Limited is a for-profit entity for the purpose of preparing the half-year financial statements.

### (b) Statement of Compliance

These half-year financial statements comply with Australian Accounting Standards and International Financial Reporting Standards (IFRS).

### (c) Adoption of new and revised standards

#### Accounting Policies

The accounting policies applied and methods of computation for the half-year ended 31 December 2020 are consistent with those of the annual financial report for the year ended 30 June 2020, except as disclosed in Note 3.

#### New and amended standards adopted by the Company

The Company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

#### Significant accounting estimates and assumptions

The significant accounting judgements, estimates and assumptions adopted in the half-year financial report are consistent with those applied in the preparation of the Company's annual report for the year ended 30 June 2020, except:

#### Fair value measurement hierarchy

The Company is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being: Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date; Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and Level 3: Unobservable inputs for the asset or liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.

Six months ended 31 December 2020	Six months ended 31 December 2019
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**NOTE 2 - EXPENSES**

**(a) Administration and Corporate Expenses**

Administration and corporate expenses include:

Depreciation - administration	54,342	7,160
Depreciation – right of use assets	35,492	35,492
Operating lease rental expense	21,537	20,209
Personnel costs – administration and corporate	547,032	671,295
Other administration and corporate expenses	352,252	292,342
	<hr/>	<hr/>
	1,010,655	1,026,498
Administration – share based payments (refer note 8)	1,212,535	1,338,930
Total administrations costs	<hr/>	<hr/>
	2,223,190	2,365,428

**(b) Exploration Costs Expensed**

Exploration costs expensed include:

Depreciation - exploration	103,209	55,713
Share based payments expensed (refer note 8)	-	366,913
Other exploration costs expensed	7,657,794	3,402,536
	<hr/>	<hr/>
	7,761,003	3,825,162

**(c) Interest Expensed**

Interest on right of use assets	7,468	11,928
	<hr/>	<hr/>

**NOTE 3 - FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS**

*Fair value measurement*

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

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**NOTE 3 - FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS - continued**

Investments in equity instruments are categorised as financial assets at fair value through profit or loss.

When these financial assets are recognised initially, they are measured at fair value. At each reporting date, gains or losses on these financial assets are recognised in profit or loss using Level 1 inputs of unadjusted quoted prices in active markets at the measurement date.

	Six months ended 31 December 2020	Six months ended 31 December 2019
	\$	\$
<i>Financial Assets</i>		
Investments in equity instruments	2,152,147	-
Initial recognition of financial assets at fair value (refer note 4)	1,611,341	-
Net fair value gains on financial assets at fair value through profit or loss	540,806	-
	<u>2,152,147</u>	<u>-</u>

**NOTE 4 - SALE OF SUBSIDIARY**

On 16 December 2020, the Company completed the sale of its subsidiary, Stavely Tasmania Pty Ltd, to Nubian Resources Limited ('Nubian'), an entity listed in Canada on the TSV. The Company received \$100,000 cash payment and 4,195,708 Nubian shares as consideration (valued at \$1,611,341).

The gain of \$1,298,159 on sale of the subsidiary has been realised in the profit or loss for the period ended 31 December 2020.

	Six months ended 31 December 2020
	\$
Consideration received – cash	100,000
Consideration received – shares in Nubian	1,611,341
Total consideration received	<u>1,711,341</u>
Less: carrying amount of net assets of subsidiary sold (note 6)	<u>(413,182)</u>
Total gain from disposal of subsidiary	<u>1,298,159</u>

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	Six months ended 31 December 2020	Six months ended 31 December 2019
<b>NOTE 5 - EARNINGS PER SHARE</b>		
	<b>Cents</b>	<b>Cents</b>
Basic loss per share	(3.20)	(3.13)
	<b>\$</b>	<b>\$</b>
Loss attributable to ordinary equity holders of the Company used in calculating:		
- basic loss per share	(8,008,852)	(6,126,001)
Weighted average number of ordinary shares outstanding during the half-year used in the calculation of basic earnings per share	250,349,966	195,446,971

Diluted earnings per share are not disclosed because potential ordinary shares, being options granted, are not dilutive and their conversion to ordinary shares would not demonstrate an inferior view of the earnings performance of the Company.

	31 December 2020	30 June 2020
	<b>\$</b>	<b>\$</b>

**NOTE 6 - DEFERRED EXPLORATION EXPENDITURE ACQUISITION COSTS**

Deferred exploration acquisition costs brought forward	4,099,719	3,006,057
Capitalised acquisition costs incurred during the period	9,520	1,093,662
Capitalised acquisition costs disposed during the period (note 4)	(413,182)	-
Deferred exploration acquisition costs carried forward	3,696,057	4,099,719

Ultimate recoupment of exploration and evaluation expenditure carried forward is dependent on successful development and commercial exploitation or, alternatively, sale of the respective areas.

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31 December 2020  
\$

30 June 2020  
\$

**NOTE 7 – ISSUED CAPITAL**

**(a) Issued Capital**

260,961,452 ordinary shares fully paid

	76,523,797	50,033,910
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**(b) Movements in Ordinary Share Capital**

Summary of Movements	Six months ended 31 December 2020		Year ended 30 June 2020	
	Number of Shares	\$	Number of Shares	\$
	Opening balance	213,799,785	50,033,910	181,236,479
Issued – options exercised	-	-	12,953,306	-
Issued – royalty purchase	850,000	340,000	-	-
Issued - placement	41,666,667	25,000,000	19,610,000	19,610,000
Issued - share purchase plan	4,645,000	2,787,000	-	-
Costs of issues	-	(1,637,113)	-	(1,287,560)
Closing Balance	260,961,452	76,523,797	213,799,785	50,033,910

**Royalty Purchase**

In the prior year, on 22 April 2020, Stavelly Minerals reached an agreement to purchase the existing 3% net smelter royalty (NSR) held by New Challenge Resources Pty Ltd on tenement RL 2017, which hosts the Thursday's Gossan prospect and other key prospects at the Stavelly Copper-Gold Project in Victoria. The consideration was a cash payment of \$350,000 and the issue of 850,000 Stavelly Minerals' shares at a deemed issued price of 40 cents per share. The cash payment of \$350,000 was paid to New Challenge Resources on 1 July 2020 and the shares issued on 9 July 2020.

**Placement and Share Purchase Plan**

A Placement was undertaken in two tranches, the first tranche of 28,000,000 shares was issued on 30 July 2020 and the second tranche of 13,666,667, which was approved by shareholders at the General Meeting held on 31 August 2020, was issued on 7 September 2020. The shares were issued at 60 cents per share to sophisticated and institutional investors. Gross proceeds were \$25,000,000. On 14 August 2020, 4,645,000 shares were issued at 60 cents per share pursuant to a Share Purchase Plan. Gross proceeds were \$2,787,000.

**(c) Options on issue at 31 December 2020**

	Number	Issue Price of	
		Shares	Exercise Date
Unlisted Options	2,700,000	\$1.47	30 November 2022
Unlisted Options	4,102,500	\$1.20	31 October 2023
	6,802,500		

During the half-year ended 31 December 2020:

- (i) 4,102,500 unlisted options were granted as share-based payments (six months to 31 December 2019: 2,700,000);
- (ii) No unlisted options expired (six months to 31 December 2019: nil); and
- (iii) No unlisted options were exercised (six months to 31 December 2019: 22,700,000).

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	Six months ended 31 December 2020	Six months ended 31 December 2019
	\$	\$

**NOTE 8 – EQUITY-BASED PAYMENTS**

**(a) Value of equity based payments in the financial statements**

*Expensed in the profit and loss:*

Equity-based payments- shares – exploration expense*	-	366,913
Equity-based payments- options – administration expense	1,212,535	1,338,930
	<u>1,212,535</u>	<u>1,705,843</u>

\* 2019: payment for drilling services were issued in the prior year as a prepayment and held in escrow until services were rendered.

**(b) Summary of equity-based payments - options - granted during the half-year:**

During the half-year ended 31 December 2020, the following unlisted options were granted pursuant to the Company's Employee Incentive Plan:

- 3,000,000 unlisted options as approved by shareholders at the 2020 Annual General Meeting held on 30 October 2020, granted to directors or their nominees.
- 1,102,500 unlisted options granted on 9 November 2020 to employees/consultants.

The unlisted options were allotted on 9 November 2020.

The assessed fair values of the options were determined using the Hoadley Trading & Investment Tools ES02 trinomial option valuation model, taking into account the exercise price, term of option, the share price at grant date, the expected early exercise multiple, expected price volatility of the underlying share, expected dividend yield and the risk-free interest rate for the term of the option. The inputs to the model used were:

Grant date	30/10/2020	9/11/2020
Spot price (\$)	0.70	0.80
Exercise price (\$)	1.20	1.20
Vesting date	immediately	immediately
Expiry date	31/10/2023	31/10/2023
Expected future volatility (%)	90	90
Risk-free rate (%)	0.13	0.11
Early exercise multiple	2.5x	2.5x
Dividend yield (%)	-	-
Value of Option (\$)	0.28	0.3379

The expected early exercise multiple is factored into the valuation using the binomial model. The model incorporates an exercise factor, which determines the conditions under which an option holder is expected to exercise their options. It is defined as a multiple of the exercise price (eg 2.5 reflects that on average employees tend to exercise their options when the stock price reaches 2.5 times the exercise price). The expected future volatility is based on historical volatility over one, two and three year trading periods.

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#### NOTE 9 – COMMITMENTS AND CONTINGENCIES

Since the last annual reporting date, there has not been a material change to commitments or contingencies.

#### NOTE 10 – CASH FLOW INFORMATION

The following non-cash activities were undertaken:

Six months to 31 December 2020:

- During the half-year, 850,000 shares (\$340,000) were issued as part-consideration for the purchase of the Stavelly Royalty from New Challenge Resources Pty Ltd.

Six months to 31 December 2019:

- During the half-year, 1,411,204 shares (\$366,913) were released from escrow to pay for drilling services.

#### NOTE 11 – SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions. The Group does not have any material operating segments with discrete financial information. The Group does not have any customers and all its' assets and liabilities are primarily related to the mining industry and are located within Australia. The Board of Directors review internal management reports on a regular basis that is consistent with the information provided in the statement of profit or loss and other comprehensive income, balance sheet and statement of cash flows. As a result, no reconciliation is required because the information as presented is what is used by the Board to make strategic decisions.

#### NOTE 12 – RELATED PARTY TRANSACTIONS

There have been no new related party transactions entered into since 30 June 2020 other than equity based payments as disclosed in Note 8(b).

#### NOTE 13 – SUBSEQUENT EVENTS

On 9 February 2021, the Company entered into an option agreement with XXXX Gold Pty Ltd, a subsidiary of Sunshine Gold Ltd, to sell the Company's Ravenswood tenements for \$400,000 cash and a 1% net smelter royalty. XXXX Gold Pty Ltd paid a \$10,000 non-refundable option fee and has a 45 day due diligence period (to 26 March 2021) to exercise the option.

The impact of the Coronavirus (COVID-19) pandemic is ongoing and not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

There are no other matters or circumstances that have arisen since 31 December 2020 that have or may significantly affect the operations, results, or state of affairs of the Group in future financial periods.

1. In the opinion of the directors:
  - a) The financial statements and notes are in accordance with the Corporations Act 2001, including:
    - i) giving a true and fair view of the Group's financial position as at 31 December 2020 and of its performance for the half-year ended on that date; and
    - ii) complying with Accounting Standard 134 Interim Financial Reporting and the Corporations Regulations 2001; and
  - b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
2. This declaration has been made after receiving the declarations required to be made to the directors in accordance with Section 295A of the Corporations Act 2001 for the half-year ended 31 December 2020.

This declaration is signed in accordance with a resolution of the Board of Directors.



Christopher Cairns  
Executive Chairman

Perth, Western Australia

10 March 2021

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## INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Stavelly Minerals Limited

### Report on the Half-Year Financial Report

#### Conclusion

We have reviewed the half-year financial report of Stavelly Minerals Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2020, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year then ended, and notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group is not in accordance with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2020 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

#### Directors' responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

#### Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2020 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the Group, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.



A review of a half-year financial report 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 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.

#### Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Group, would be in the same terms if given to the directors as at the time of this auditor's review report.

**BDO Audit (WA) Pty Ltd**

BDO  


**Jarrad Prue**  
**Director**

Perth, 10 March 2021

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