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2022 Annual Report

Stavely Minerals Limited



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Directors

Christopher Cairns (Executive Chair and Managing Director)

Jennifer Murphy (Technical Director)

Peter Ironside (Non-Executive Director)

Amanda Sparks (Non-Executive Director)

Robert Dennis (Non-Executive Director)

Company Secretary

Amanda Sparks

Chief Operating Officer

Mark Mantle

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Steinepreis Paganin

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Perth Western Australia 6000

Bankers

ANZ Bank

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Claremont Western Australia 6010

Stock Exchange Listing

ASX Limited

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Perth Western Australia 6000

ASX Code: SVY

Auditors

BDO Audit (WA) Pty Ltd

Chartered Accountants

Level 9, Mia Yellagonga Tower

5 Spring Street

Perth Western Australia 6000

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WHO WE ARE

An Australian ASX listed company focused on exploration and development of minerals to support a low carbon future.

Our team has a track record of success through focusing on collaboration and quality exploration and development.

OUR PURPOSE

To discover and develop the minerals needed for a sustainable low carbon future.

OUR VALUES

	Integrity and Honesty	<i>We conduct ourselves with strong moral and ethical behaviours. We are open and transparent with all our stakeholders.</i>
	Health and Safety	<i>We are committed to ensuring our employees, contractors and the community can work and live in a safe and healthy way.</i>
	Respect and Diversity	<i>We strive to ensure that every member of our workforce and our stakeholders are treated fairly and with respect.</i>
	Social Performance	<i>We respect human rights and engage meaningfully with stakeholders. We seek to make a positive impact to the social and economic development of the communities in which we operate.</i>
	Environment	<i>We are committed to understanding and minimising the potential impacts of our activities.</i>
	Technical Effectiveness	<i>We create value by fostering technical effectiveness, cultivating a collaborative approach to problem solving and encouraging innovation.</i>

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SOCIAL AND COMMUNITY

Stavely Minerals Limited recognises that responsible community engagement is a key part of our Company's exploration activities, and fundamental to Stavely's future as a successful exploration and mineral development company.

We have a commitment to the communities in which we operate, and consider that communication with all stakeholders, including local residents, landowners, shareholders, employees, contractors and the broader community is essential.

We are committed to regular, open and honest communication with the community so that local stakeholders are consulted with regarding our exploration activities and given the opportunity to express any concerns they might have.

Stavely Minerals recognises our ability to operate depends on treating all stakeholders with respect and fairness. We seek to protect the environment and enrich the communities in which we work. Community engagement works best where it is an ongoing cumulative process enabling relationships and trust to build and strengthen over time and is essential for a viable future.

Our website has a dedicated Community section, which includes information sheets to assist our local communities to understand how Stavely manages noise mitigation, rehabilitation of drill sites and fire prevention, and provides information on the processes of mineral exploration and the stages of exploration to mining.

Stavely Minerals has a long-standing relationship with Laura Chibnall of Grounded Resource Advisory Pty Ltd who consults to the Company on environmental and stakeholder engagement matters. Ms Chibnall is a very experienced consultant in the exploration and mining industry across Victoria.

Under the guidance of Bruce Harvey of resolution88 Pty Ltd, Stavely Minerals is in the process of formalising a Stakeholder Engagement Plan. Resolution88 is a consultancy specialising in 'Social Licence' solutions for the extractive industry.

Stavely supports our local communities. We are a proud Gold Sponsor of the Glenthompson Dunkeld Football Club and a sponsor of the Glenthompson Art Show.



Stavely Minerals holding a community briefing

PEOPLE

The health, safety and well-being of our people is essential to the success of Stavely and our community. Inductions, training and being familiar with our Company policies form the basis of safety on site. The well-being of our people is of the utmost importance, and as a result we provide first aid courses that include mental health.

As technology in the mining industry continues to increase, it is essential that our people are given the opportunity to continue their professional development. Stavely brings experts to site to not only provide technical consulting for our operations, but to also develop the technical skills of our people. We provide opportunities for external training and technical conferences.

Where possible, Stavely employs its people from the local community. We are proud of the gender diversity that we have on site with 17% of employees being women, which we aim to increase where possible.



A Stavelly Minerals' geologist inspecting a rock chip from an aircore drill program.

GOVERNANCE / RISK MANAGEMENT

We are proud of our strong governance within our Company, and we believe that this is reflected in the reputation of our Board and management.

Our Board agenda always includes risk. We have implemented a detailed Risk Register that identifies key risks for Stavely, including social, environmental and financial risks. Each risk is assigned to specific manager and the risk is assessed for potential causes, impacts and current controls. The control effectiveness is determined, and each risk is given a rating. Further controls that may be required are recorded with expected dates for implementation.

Further details of our governance is included in our annual Corporate Governance Statement, and our Corporate Governance section on our website.

ENVIRONMENT

Stavely Minerals is committed to minimising the impact on land and fully rehabilitating farmland and the environment immediately following its mineral exploration activities.

Prior to drilling of an exploration site, a photographic record is taken and any significant vegetation is identified and fenced off.

All reasonable measures are taken to minimise the impact of the drilling operation on the environment.

On completion, the drill site is fully rehabilitated to as good as, if not better, than its previous state.

Our rehabilitation process involves:

- Cut any protruding drill collars to 40cm below ground level and plug the hole;
- Backfill hole and mound with surplus material to allow for settling;
- Restore original land contours of drill site;
- Remove all foreign material and samples and dispose of in an approved waste facility;
- Shallow rip of the site and associated access tracks (if required) to overcome soil compaction; and
- Apply seed to achieve desired rehabilitation outcome (eg. pasture, crop, native seed) if required.

Stavely works closely with the local communities when undertaking activities. In 2021, Stavely undertook an airborne gravity survey over the Stavely Project. Prior to the survey, our Stakeholder Relations Manager worked with the local shire councils to ensure that all local landowners were made aware of this upcoming survey and who we are. We were thanked publicly by the Wildwood Wildlife Shelter in Glenthompson as we were able to reschedule the portion of the survey affecting them at the request of the shelter.

In 2021, Stavely engaged Deloitte Access Economics to produce a Phase 1 Economic Impact Study for the community and government to assess the potential employment and economic impacts and benefits, of a proposed Stavely mining project.

The results suggest that the Stavely Project, if developed as envisaged, is likely to deliver significant increases in economic activity and additional employment opportunities for the local communities. This report is available on our website.

Our Commodity – The development and production of Stavely’s resource, primarily copper, is essential for the future of technology, including electric vehicles, energy transformers and wind farms. Copper can significantly contribute towards a low carbon future. Copper is one of the few materials that can be recycled, again and again, without any loss in performance. Recycled copper can be used in the same way as primary (mined) metal. In addition, end-of-life products (scrap) containing copper are much more likely to be collected for recycling because of their residual economic value. Our mission - to discover and develop the copper needed for a sustainable low-carbon future.



Drill site pre drilling



Diamond drilling



Rehabilitated drill site



Rehabilitated drill site one year on

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Overview

EXPLORATION

The Company's exploration assets including the Stavely, Ararat and Yarram Park Projects are located in western Victoria.

The Company's focus during the year was completing the Mineral Resource drilling to delineate the high-grade, near-surface copper-gold-silver mineralisation discovered at the Cayley Lode in September 2019, and to subsequently deliver the initial Mineral Resource Estimate (MRE) for the Cayley Lode.

This initial Mineral Resource Estimate for the Cayley Lode mineralisation is a significant milestone for the Company and our shareholders.

The Mineral Resource drill-out at the Cayley Lode has taken a total of two and half years to complete. In excess of 45,000m (45km) of dedicated Mineral Resource drilling was undertaken, with the vast majority of that being diamond drilling with some 1,300m being Sonic drilling. In excess of 50,000 assays have been completed, including duplicate sampling of selected holes and routine insertion of duplicates and standards for QA/QC assessment.

The reasons for the length of time to complete the drill-out include:

- All drilling had to be conducted by diamond drilling. Due to the shallow and mildly saline water table, it was not possible to utilise percussion drilling methods due to large volumes of near-surface saline water and it could not be contained.
- Diamond drilling allowed all fluids to be contained to 3 cascading rain-water tanks and at the end of each hole, all fluids and drill cuttings could be removed and disposed off-site.
- The majority of the drilling was conducted on a 40m by 40m grid to ensure that a large proportion of the total MRE could be classified as Indicated Resources.
- With above-average rainfall over the last two years in the Stavely region it was not possible to continue drilling during the winter months from May to September.
- Delays in negotiating access to the paddock south of the railway line to complete the drill-out.

The team on-site has done an outstanding job, under difficult circumstances, including living with COVID-19 restrictions and the associated stresses of living through a pandemic, to produce high-quality technical work which has underpinned the very robust initial MRE for the Cayley Lode.

Of the proportion of the initial Cayley Lode MRE that falls within an optimised open pit shell, 73% of this material is in the higher-confidence Indicated Resources category. Additionally, the revised chalcocite-enriched blanket MRE, also constrained within an open pit optimisation, now includes 85% Indicated Resources. This highlights the quality of the initial MRE for the Cayley Lode and the revised MRE for the chalcocite-enriched blanket, which will underpin the initial Economic Studies.

The initial Cayley Lode MRE is considered as a starting point for this Project, with enormous potential to extend the mineralisation at depth below the initial open pit.

The deposit remains open in a number of directions and we have already seen considerable potential for further high-grade mineralisation along strike to the south-east and at depth.

Recent drill intercepts at depth on the Cayley Lode to the south-east indicate that there remains significant scope to define high-grade mineralisation by extending the initial Mineral Resource estimate as indicated by recent drill holes SMD182 and SMD173, which were included in the underground MRE.

The Carroll's MRE is considered to satisfy the reasonable prospects for eventual economic extraction (RPEEE) as it is being considered a satellite development to the larger Cayley Lode and chalcocite-enriched blanket potential development located 35km away at the Stavely Project.

Drilling at the Toora West Prospect on the Yarram Park Project confirmed the presence of porphyry-style copper and molybdenum mineralisation as well as a later phase of high-grade gold mineralisation. The Stavely Minerals geological team has concluded that while exploration at Toora West was successful in identifying porphyry-style

Cu-Mo-Au mineralisation beneath 30 to 40m of transported cover, the intensity of the veining and alteration encountered is insufficient to warrant further exploration.

During the year the Company commenced with the largest regional exploration initiative since the early 1970's. The Stavely Project encompasses some 115km of strike of the Stavely, Bunnugal, Elliott, Narrapumelap and Dryden volcanic belt segments which are highly prospective for major porphyry and intrusive-related copper and gold discoveries.

Stavely geologists identified and prioritised 19 regional targets for follow-up reconnaissance exploration. While the known prospects in the Stavely Volcanic Belt are partially exposed in a small window of sub-crop extending over ~20km of strike, the vast majority (~95km) of the prospective volcanic belt segments are hidden under younger cover. While some of these targets have been known for some time, most of the regional targets have had very little, if any previous exploration.

The regional targeting methodology has successfully identified 'blind' targets under basalt and transported cover with a success rate of around 80% of drill holes intersecting quartz veining / alteration / sulphides to date.

The assays for the regional auger soil sampling and aircore drilling programs conducted during the year have been received. The results are in the process of being spatially assessed and, following field checking, will be subject to target ranking. Further work on the priority targets will be planned.

CORPORATE

Black Range Joint Venture

In December 2021, Stavely Minerals notified Black Range Metals Pty Ltd that the sole funding of the Second Contribution had been met entitling the Company to a further 29% Participating Interest. The Participating Interests of the Participants are:

- (i) Stavely 80%; and
- (ii) Black Range 20%.

In accordance with the Joint Venture, a Management Committee was formed. The Joint Venture costs have been verified and Black Range Metals Pty Ltd have elected not to contribute and hence will be diluted as per the Joint Venture Agreement.

Appointment of Chief Operating Officer

In March 2022, the Company announced the appointment of experienced mining executive Mark Mantle as Chief Operating Officer.

Property Purchase

Also in March 2022, Stavely Minerals announced that it had entered into a property purchase agreement for a 524-acre farm, residence and an additional residential block adjacent to the Thursday's Gossan prospect.

The terms of the agreement included the payment of an initial deposit of \$1,000,000, with payment of \$2.4 million on settlement on or before 15 August 2022.

The purchase cost was within the valuation range obtained from an independent licensed property valuer.

Subsequent to the end of the reporting period:

- The Company issued 26,666,667 shares (Placement Shares) on 12 July 2022, pursuant to a placement to sophisticated and institutional investors. Gross proceeds were \$4,000,000.

The issue price of \$0.15 per Placement Share represented a 25.0% discount to the last traded price of the Company's ordinary shares on ASX of \$0.20 and a 24.7% discount to the 5-day volume weighted average price of the Company's ordinary shares as traded on ASX of \$0.199 over the period up to and including 30 June 2022.

- The Company issued 35,326,537 shares on 5 August 2022 at the same price as the Placement Shares, pursuant to a Share Purchase Plan (SPP). Gross proceeds raised under the SPP were \$5,298,980.

Funds raised from the Placement and SPP will be applied to the next phase of exploration and resource definition drilling at the Company's Stavely Copper-Gold Project in western Victoria and working capital.

- On 15 August 2022, the Company settled on the property purchase of a 524-acre farm, residence and an additional residential block adjacent to the Thursday's Gossan prospect, part of its 100%-owned Stavely Copper-Gold Project in western Victoria.

\$1.6 million of loan funding was used towards the acquisition of the land. The funding was provided by two parties to Stavely's wholly owned subsidiary, Stavely Pastoral Pty Ltd, as follows:

Under a loan agreement with Legal Mortgage Holdings Pty Ltd (LMH), LMH advanced \$1 million on the following terms:

- Interest payable at 10% pa, payable quarterly in advance
- Term of 24 months with a minimum term of 12 months
- Secured via a 1st mortgage on the land with a guarantee provided by Stavely Minerals Limited

Under a loan agreement with Anthony Cairns, Anthony Cairns advanced \$0.6 million on the following terms:

- Interest payable at 10% pa, payable quarterly in advance
- Term of 24 months with a minimum interest term of 12 months
- Unsecured, with a guarantee provided by Stavely Minerals Limited

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Review of Operations

Background

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

The western Victorian Projects include retention licences with a total area of 109 square kilometres (100% owned), an exploration tenement with a total area of 930 square kilometres (100% owned), 100 square kilometres of joint venture tenure (80% earned to date) and 47 square kilometres of tenement application area (100% owned).

The Projects have excellent infrastructure and access with paved highways, port connection by railroad and a 62 MW wind farm located 5 kilometres from the Stavelly Project. The primary land use is grazing and broad-acre cropping.

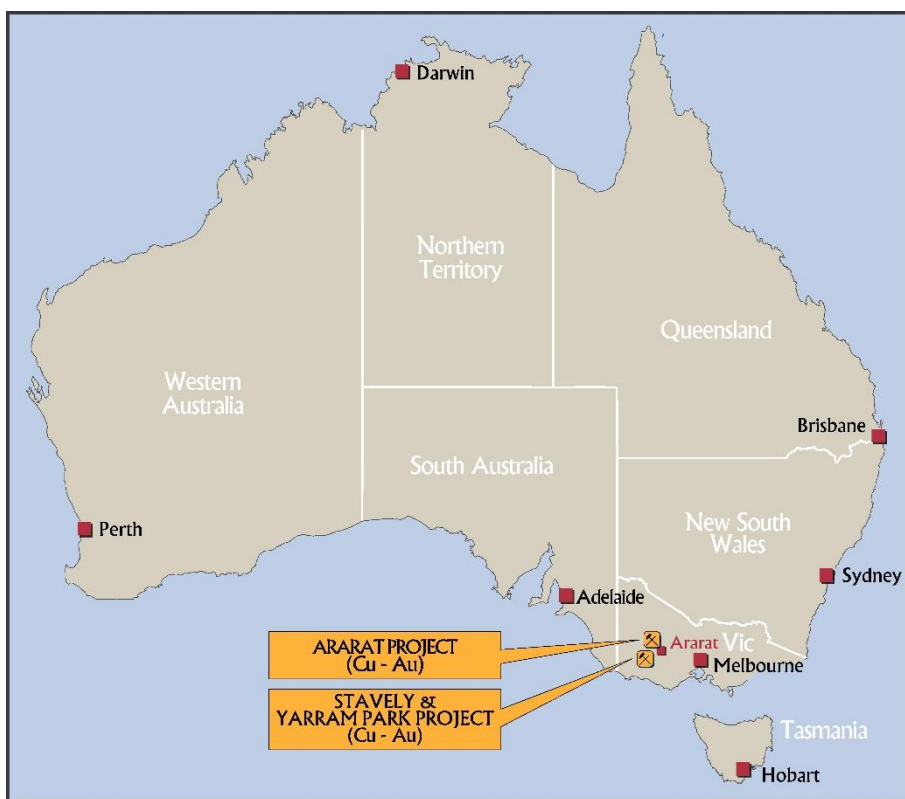


Figure 1. Project location plan.

Regional Geology Western Victoria

The Ararat and Stavelly 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 age mafic volcanic and pelitic sedimentary units of the Moornambool Metamorphics which were metamorphosed to greenschist to amphibolite facies during the Silurian period.

The Stavelly Project is hosted in Cambrian age fault-bounded belts of submarine calc-alkaline volcanics, namely the Mount Stavelly Volcanics, structurally in contact with the older quartz-rich turbidite sequence of the Glenthompson Sandstone and the Williamsons Road Serpentinite.

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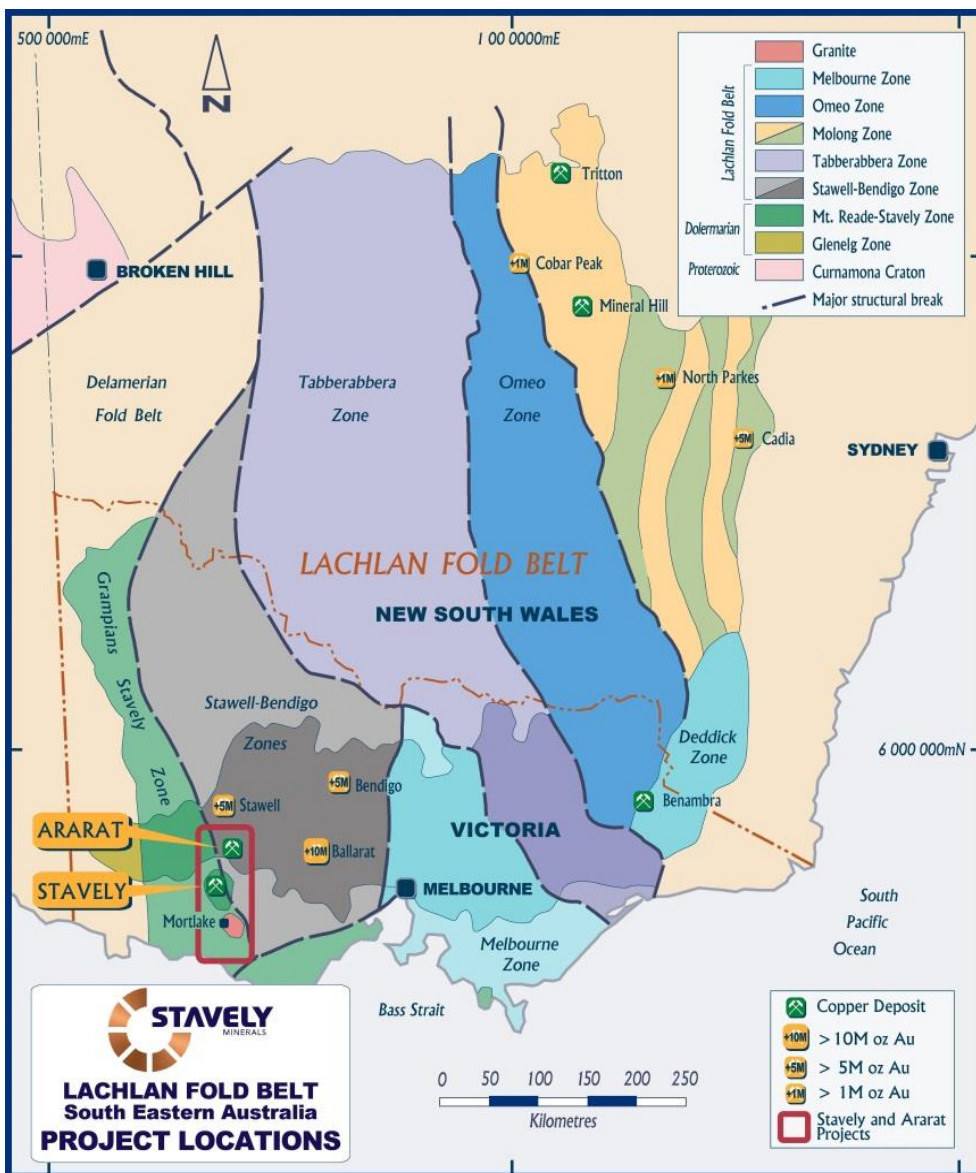


Figure 2. Geology of South-eastern Australia.

These sequences were deformed in the Late Cambrian Delamerian Orogeny. Seismic traverses and a recent study by the Victorian Department of Economic Development, Jobs, Transport and Resources in western Victoria have supported the interpretation of an Andean-style continental convergent margin environment for the development of the buried Stavelly Arc beneath the Stavelly Volcanic Complex and environs (Schofield, A. (ed) 2018). 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 younger Macquarie Arc in New South Wales, which hosts the Cadia Valley and North Parkes copper-gold mineralised porphyry complexes.

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 overlying 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.

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Mineral Resources

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

The Total Mineral Resource Estimate for the Company is **28.3Mt at 0.75% copper, 0.11g/t gold and 3.5g/t silver for a contained 210,000t of copper, 100,000oz gold and 3.2Moz silver and 2,400kt Zn (Table 1).**

Table 1. The Total Mineral Resource Estimate, June 2022.

Resource Category	Cut-off (Cu %)	Tonnes (Mt)	Grade (Cu %)	Cont. Metal (Mlbs Cu)	Grade (Au g/t)	Cont. Metal (oz Au)	Grade (Ag g/t)	Cont. Metal (oz Ag)	Grade (Zn %)	Cont. Metal (kt Zn)
Indicated	1	21.5	0.61	288	0.10	67,301	3.1	2,153,972	0.3	8
Inferred	1	6.8	1.2	175	0.1	32,797	4.7	1,043,839	0.2	16
Total Stavely Minerals		28.3	0.75*	463	0.11*	100,000	3.5	3,200,000	0.2	24

*Note: Mineral Resource grades reported to 2 significant digits on the basis that the majority of the resources are in the higher-confidence Indicated Resources category (76% by tonnes, 62% by contained copper)

(a) Ararat Project Mineral Resource

In the Ararat Project, the Carroll's prospect (previously known as the Mount Ararat prospect) hosts a Besshi-style VMS deposit with an estimated (using a 1% Cu lower cut-off) Total Mineral Resource of - **1.01Mt at 2.2% copper, 0.4g/t gold, 0.2% zinc and 5.6g/t silver for a contained 22kt of copper, 13,900 ounces of gold, 2,400t of zinc and 181,300 ounces of silver (Table 2).**

Table 2. The Carroll's Mineral Resource Estimate, June 2022.

Classification	Oxidation	kt	Ag g/t	Au g/t	Cu %	Zn %	Ag oz	Au koz	Cu kt	Zn kt
Indicated	Oxide	-	-	-	-	-	-	-	-	-
	Fresh	260	5.3	0.5	2.0	0.3	44.3	3.9	5.3	0.8
Inferred	Oxide	131	2.9	0.3	2.1	0.2	12.3	1.3	2.7	0.2
	Fresh	617	6.3	0.4	2.3	0.2	124.7	8.7	14.1	1.4
SUBTOTALS	Oxide	131	2.9	0.3	2.1	0.2	12.3	1.3	2.7	0.2
	Fresh	878	6.0	0.4	2.2	0.3	169.0	12.6	19.3	2.2
GRAND TOTAL		1009	5.6	0.4	2.2	0.2	181.3	13.9	22.0	2.4

Notes:

- Effective date of September 2021.
- Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability. The estimate of Mineral Resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues.
- Mineral Resources are reported at a block cut-off grade of 1% Cu.
- Mineral Resources are reported without any explicit RPEEE constraints, but reporting of all flagged Inferred+Indicated material in the model is partially supported by SO studies undertaken on the fresh material.
- Figures may not add up due to rounding.

Refer to ASX release dated 14 June 2022 for all criteria for sections 1, 2 and 3 of the JORC Code Table 1 and 2.

Comparison of the 2015 and 2021 MREs for the Carroll's VMS

The 2021 MRE for the Carroll's VMS was more tightly constrained spatially, especially on the edges of data limits (Figure 3). A comparison of the 2015 and 2021 MREs is presented in Table 3. It is clear that there is an opportunity to grow the scale of the resource by drilling further at depth and to convert Inferred Resources to Indicated Resources with in-fill drilling.

Table 3. Comparison of the 2015 and 2021 Carroll's VMS Mineral Resource Estimates.

Estimate Date	Category	Cut-off (Cu %)	Tonnes (kt)	Grade (Cu %)	Cont. Cu (kt)	Au (g/t)	Cont. Au (koz)
2015	Indicated	1.0	245	2.22	5.4	0.39	3.0
	Inferred		1,073	1.91	20.5	0.47	16.3
	Total		1,318	1.97	25.9	0.45	19.3
2021	Indicated	1.0	260	2.0	5.2	0.50	4.2
	Inferred		750	2.3	17.3	0.38	9.2
	Total		1,001	2.2	22.5	0.42	13.4
Change			-24%	12%	-13%	-7%	-30%

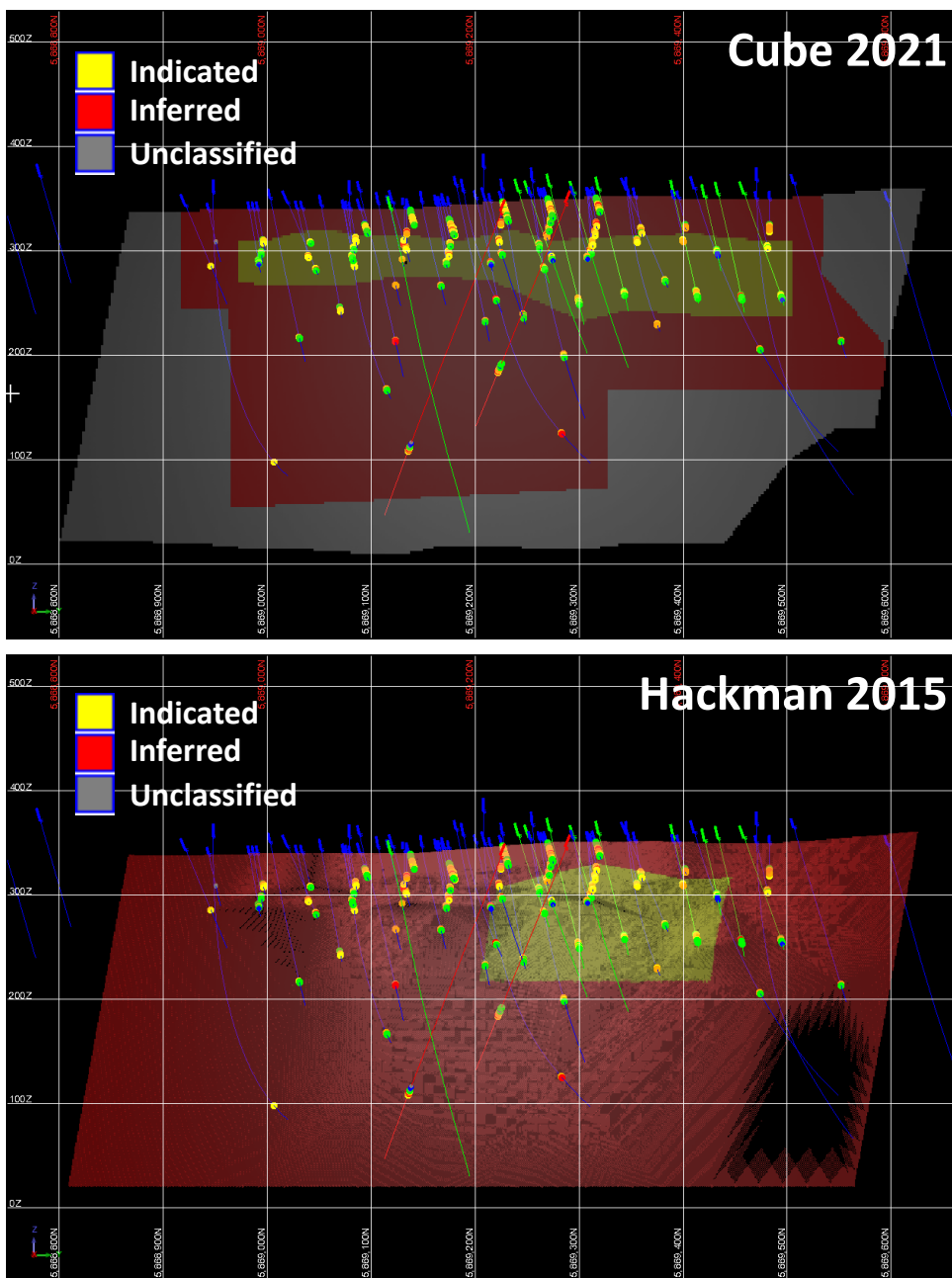


Figure 3. Long section looking west – Carroll's MRE classification (current and previous). Historical holes in blue, Stavely drilling to 2020 in green and the two new 2021 Stavely holes in red.

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(b) Stavely Project Mineral Resource

In the Stavely Project, the Thursday's Gossan prospect, which includes the Cayley Lode and the chalcocite-enriched blanket, hosts a Total Mineral Resource Estimate (using a 0.2% Cu grade lower cut-off for open pit material and 1.0% Cu lower cut-off for underground material) of – **27.3Mt at 0.69% copper, 0.10g/t gold and 3.4 g/t silver for 416Mlbs of contained copper, 86,000 ounces of gold and 3Mt of silver** (Table 4).

Refer to ASX release dated 14 June 2022 for all criteria for sections 1, 2 and 3 of the JORC Code Table 1 and 2.

Table 4. Thursday's Gossan Total Mineral Resource Estimate.

Resource Material	Resource Category	Cut-off (Cu %)	Tonnes (Mt)	Grade (Cu %)	Cont. Metal (Mlbs Cu)	Grade (Au g/t)	Cont. Metal (oz Au)	Grade (Ag g/t)	Cont. Metal (oz Ag)
	Indicated	0.2	21.2	0.59	276	0.09	63,122	3.1	2,109,668
	Inferred	0.2	6.1	1.0	140	0.12	23,000	4.6	900,000
Total Thursday's Gossan			27.3	0.69*	416	0.10*	86,000	3.4	3,000,000

*Note: Mineral Resource grades reported to 2 significant digits on the basis that the majority of the resources are in the higher-confidence Indicated Resources category (76% by tonnes, 62% by contained copper)

The initial Mineral Resource estimate for the Cayley Lode (using a 0.2% Cu cut-off for open pit and 1.0% cut-off for underground) is **9.3Mt at 1.2% copper, 0.2g/t gold and 7.1g/t silver for 252Mlbs of contained copper, 65,000 ounces of gold and 2.1Mt of silver** (Table 5).

Table 5. Cayley Lode Initial Mineral Resource Estimate

Resource Material	Resource Category	Cut-off (Cu %)	Tonnes (Mt)	Grade (Cu %)	Cont. Metal (Mlbs Cu)	Grade (Au g/t)	Cont. Metal (oz Au)	Grade (Ag g/t)	Cont. Metal (oz Ag)
Primary Mineralisation (OP)	Indicated	0.2	5.87	1.04	134.4	0.23	43,407	7	1,321,074
	Inferred	0.2	1.7	1.3	49	0.2	11,000	9	500,000
Sub-Total Primary OP			7.6	1.1	183	0.2	54,338	7.4	1,808,158
Primary Mineralisation (UG)	Indicated	1.0	-	-	-	-	-	-	-
	Inferred	1.0	1.7	1.8	69	0.2	11,000	6	330,000
Sub-Total Primary UG			1.7	1.8	69	0.2	11,000	6	330,000
Total Cayley Lode			9.3	1.2	252	0.2	65,000	7.1	2,100,000

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) – **18Mt at 0.4% copper for 75kt of contained copper** (Table 6).

Table 6. Revised Chalcocite- Enriched Blanket Mineral Resource Estimate.

Resource Material	Resource Category	Cut-off (Cu %)	Tonnes (Mt)	Grade (Cu %)	Cont. Metal (Mlbs Cu)	Grade (Au g/t)	Cont. Metal (oz Au)	Grade (Ag g/t)	Cont. Metal (oz Ag)
Chalcocite	Indicated	0.2	15.3	0.42	141.6	0.04	19,715	1.6	788,594
	Inferred	0.2	2.7	0.4	22	0.02	1,700	1	87,000
Sub-Total Chalcocite			18	0.41	164	0.04	21,000	1.6	900,000

The wireframes from previous MRE for the chalcocite-enriched blanket were adjusted to include a large number of diamond drill holes completed since the previous MRE (see the Stavely Minerals Prospectus, 2014). The majority of the predominantly diamond and a lesser number of RC drill holes drilled to target the Cayley Lode

also passed through the secondary chalcocite-enriched blanket mineralisation in the shallow portions of those drill holes. These drill holes have been included in the revised MRE for the chalcocite-enriched blanket and this has resulted in re-classification of a large proportion of Indicated Resources in the 2022 MRE compared to no Indicated Resources in the 2015 MRE (Table 7).

Table 7. Comparison of the 2013 and 2022 Thursday’s Gossan Chalcocite-enriched blanket Mineral Resource Estimates.

Estimate Date	Category	Cut-off (Cu %)	Tonnes (Mt)	Grade (Cu %)	Contained Cu (kt)
May-13	Indicated	0.2	-	-	-
	Inferred		28.0	0.38	107
Jun-22	Indicated	0.2	15.3	0.42	64.3
	Inferred		2.7	0.4	10.8
	Total		18.0	0.4	75.0
Change			-36%	5%	-30%

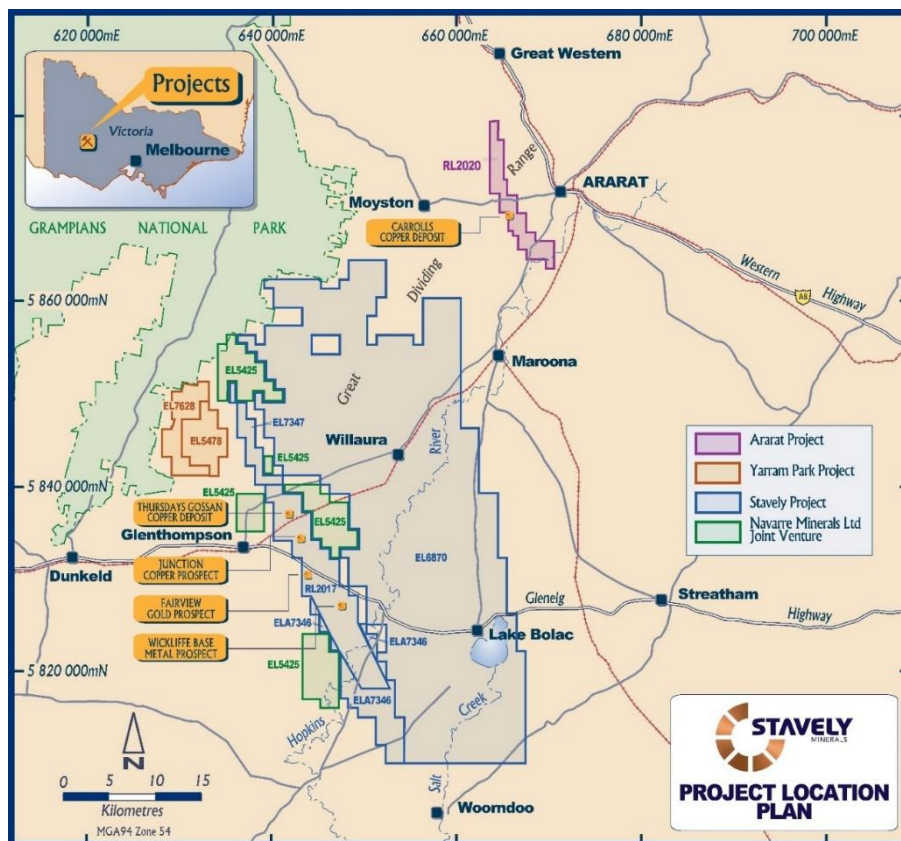


Figure 4. Stavelly, Yarram Park and Ararat Project location plan.

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Stavely Project

The Stavely Project hosts several significant opportunities for discovery of porphyry copper-gold and VMS base-metals +/- gold deposits (Figure 4).

During the year, the Company completed the resource drill-out of the shallow portion of the high-grade structurally-controlled copper-gold-silver mineralisation at the Cayley Lode.

Stavely's field team have done a fantastic job conducting the Mineral Resource drill-out. With a relatively small crew of geologists and field staff, the team has managed up to 6 diamond drill rigs operating concurrently and, at times, when the regional exploration programs were underway, an aircore rig and soil auger drilling as well.

During the year, the Company embarked on a major new regional exploration initiative, comprising aircore drilling and auger soil sampling across the Company's 100%-owned Stavely Copper-Gold Project and the Black Range Joint Venture tenement in western Victoria.



Photo 1. Part of the core yard at Stavely Minerals' core farm near Glenthompson.

Thursday's Gossan Porphyry Prospect

During the year, assay results were received for the two diamond holes, SMD114 and SMD117, drilled during the previous year at Thursday's Gossan to test the two deep interpreted porphyry targets generated by the two seismic lines shot in the previous year.

SMD114 was drilled along the trace of the northern seismic section shot in late 2020. While the drill hole did not intersect the deep porphyry target, it did return an interval of mineralisation characterised by Dr Greg Corbett as porphyry G veins – a distal expression of porphyry wall-rock mineralisation.

SMD114 intersected:

- 12m at 1.43% Cu, 0.23g/t Au and 7.4g/t Ag from 830m down-hole (Figure 5), including:
 - 2m at 4.98% Cu, 0.61g/t Au and 25g/t Ag from 839m

Drill hole SMD117 did not return any significant results.

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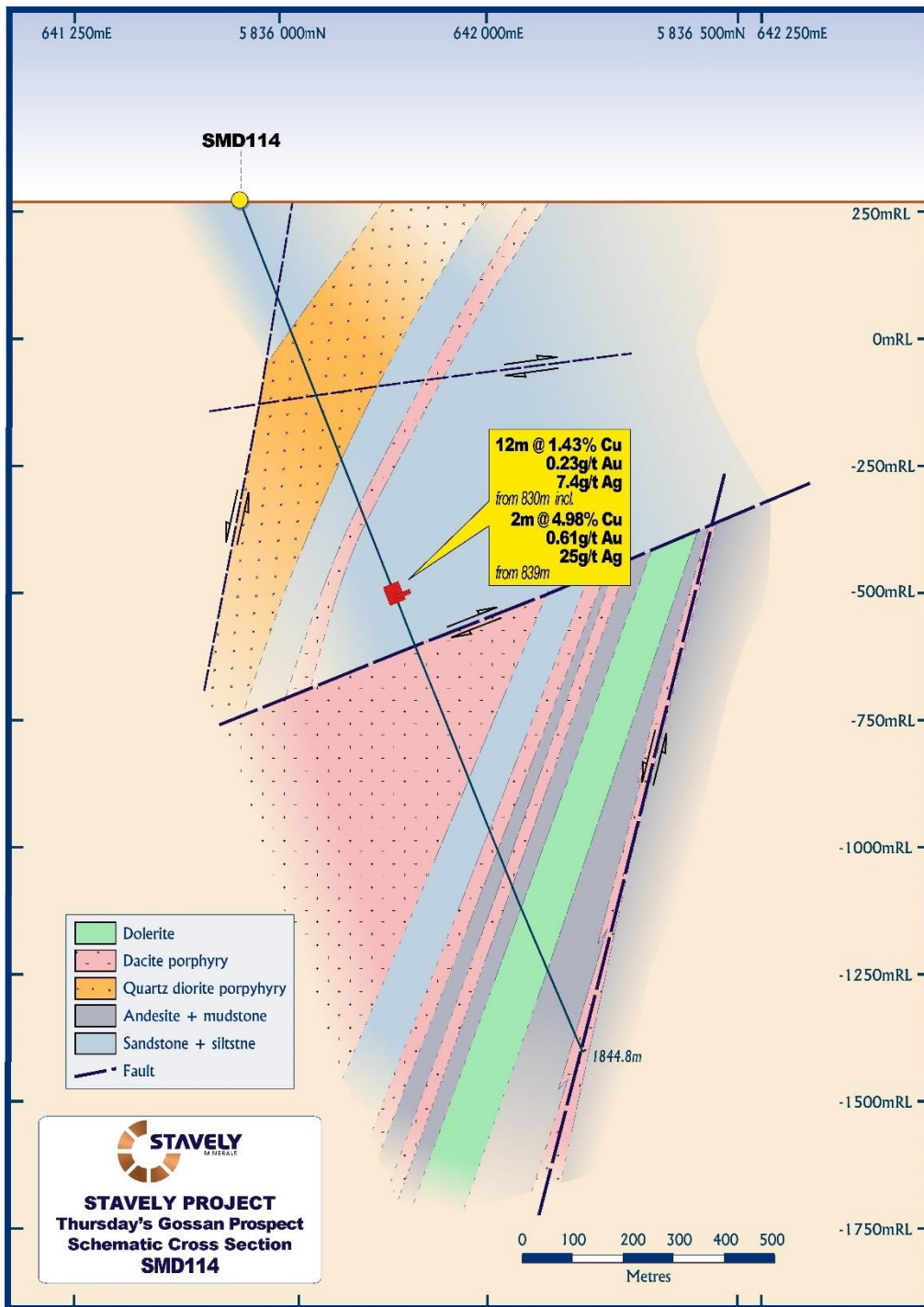


Figure 5. SMD114 drill section.

Cayley Lode Copper – Gold Mineralisation

During the year, twenty diamond drill holes SMD163 to SMD182 were drilled for a total of 6,491m targeting the high-grade structurally-controlled copper-gold-silver mineralisation at the Cayley Lode at the Thursday's Gossan prospect. The drill collar locations are shown in Figures 6 and 7 and the details are given in the Cayley Lode Collar Table.

All assays have been received for the drilling conducted during the current year as well as those outstanding at the end of the previous year - SMD141 to SMD150, SMD155 and SMD157 to SMD162. The significant intersections are presented in Cayley Lode Intercept Table.

During the current year the intensive resource drill-out of the mineralisation at the Cayley Lode continued with up to 6 diamond drill rigs. Drilling during the year was focused on the southern portion of the currently defined resource area. The over-all extent of the currently defined mineralisation is 1.5 kilometres. Drilling in the southern area was conducted on roughly a 60m x 60m drill grid. The resource drill out of the open pit mineralisation has been completed. Several deeper holes were completed to test the Cayley Lode below the Low Angle Structure to confirm the potential for underground development.

The assays for SMD141 to SMD150, SMD155 and SMD157 to SMD162 which were outstanding at the end of the previous reporting period have been received.

Drill hole SMD147, located in the north-west of the drill grid, intersected shallow gold mineralisation including Figure 8):

- 6.2m at 1.38g/t Au from 11.8m down-hole, followed by a mixed copper-gold-silver zone including:
- 13m at 0.72% Cu, 0.65g/t Au and 3.4g/t Ag from 19m, including:
 - 5m at 1.14% Cu, 1.64g/t Au and 7.1g/t Ag from 27m

SMD147 also intersected:

- 4m at 1.29% Cu from 132m down-hole; and
- 3.6m at 3.31% Cu, 0.43g/t Au and 38g/t Ag from 160.4m

Drill holes SMD163 to SMD172, SMD174 to SMD175, SMD177 to SMD180 were drilled in the paddock to the south of the railway line, targeting the Cayley Lode mineralisation above the Low Angle Structure and the southern extension of the chalcocite blanket.

Drill hole SMD165 (Figure 9), drilled on the first section south of the railway, has intersected:

- 30m at 0.51% Cu from 29m in the chalcocite-enriched blanket
- 1m at 1.08% Cu, 0.48g/t Au and 15g/t Ag from 157m
- 3.2m at 7.08% Cu, 0.46g/t Au and 11g/t Ag from 215.1m, including
 - 1m at 16.35% Cu, 0.81g/t Au and 24g/t Ag from 215.1

Drill hole SMD164 (Figure 10), drilled on the second section south of the railway, has intersected:

- 16m at 0.39% Cu from 29m in the chalcocite-enriched blanket
- 1m at 2.59% Cu, 0.7g/t Au and 13g/t Ag from 91m
- 44m at 0.93% Cu, 0.13g/t Au and 4.3g/t Ag from 161m, including
 - 5.8m at 5.38% Cu, 0.77g/t Au and 23g/t Ag from 198m, including
 - 0.8m at 16% Cu, 0.71g/t Au and 42g/t Ag from 203m

As was expected, the Cayley Lode has lost intensity in the south eastern most drill holes as the chalcocite-enriched blanket dog-legs into a more north-south orientation.

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Drill holes SMD173, SMD176, SMD181 and SMD182 were drilled to test some Cayley Lode positions below the low angle structure to determine the potential of the system at depth. These holes also tested the southern extension of the chalcocite blanket.

Diamond drill hole SMD173, drilled from the southern paddock south of the railway, was designed to target the Cayley Lode at depth below the Low-Angle Structure (Figures 6 & 7). The intention was to test the south-easterly plunge of high-grade copper-gold-silver mineralisation.

SMD173 has intersected an interval of inter-fingered micro-diorite and Cayley Lode sulphide mineralisation from 328.2m to 420.3m down-hole (Figure 10). The sulphides are variably massive to semi-massive sulphides to disseminated and veins of pyrite with variable abundances of copper sulphides including chalcopyrite, bornite and chalcocite.

The overall 92.1m interval is cut and pre-existing mineralisation potentially 'stoped-out' by a late, barren micro-diorite intrusion.

The result is an upper footwall zone of mineralisation that included:

- 3m at 3.81% Cu, 0.11g/t Au and 457g/t Ag from 328m down-hole, including
 - 1.10m at 2.53% Cu, 0.10g/t Au and 1,225g/t silver from 328m

Of note is that unusually high abundances of silver, in the kilogram per tonne ranges that are normally seen in association with the lead sulphide, galena. In this instance, the lead abundance is 17ppm, precluding the presence of galena. The modest gold grade also precludes electrum. The department of the significant abundance of silver is subject to further investigations.

Below the late micro-diorite intrusion, a second thicker interval of lode-style mineralisation was encountered with:

- 43m at 2.60% Cu, 0.42g/t Au and 10g/t Ag from 378m down-hole, including
 - 3m at 10.38% Cu, 3.00g/t Au and 71g/t Ag, from 396m, including
 - 1m at 19.65% Cu, 8.29g/t Au and 202g/t Ag from 397m

Diamond drill hole SMD182, designed to test the south-easterly plunge of the Cayley Lode mineralisation below the Low-Angle Structure, has intersected two zones of copper-gold-silver mineralisation, including the deepest intercept seen to date (Figure 11).

The upper high-grade intercept includes:

- 10.40m at 4.34% Cu, 3.17g/t Au and 11g/t Ag from 421.1m down-hole, including:
 - 4.90m at 6.74% Cu, 6.45g/t Au and 19g/t Ag from 426m, including:
 - 0.9m at 7.17% Cu, 30.6g/t Au and 52g/t Ag from 430m

And a lower intercept of:

- 14m at 1.24% Cu, 0.72g/t Au and 8.2g/t Ag from 503m down-hole, including:
 - 2m at 3.56% Cu, 3.33g/t Au and 25g/t Ag, from 515m

The high-grade intercept in SMD182 provides further confidence in the interpreted south-easterly plunge of mineralisation and, significantly, that very high-grade mineralisation continues to depths that may be available for potential future underground development (Figure 12). The increasing gold grades in drill holes SMD173 and SMD182 will require further drilling to confirm a change in the copper to gold ratio noted in these drill holes.

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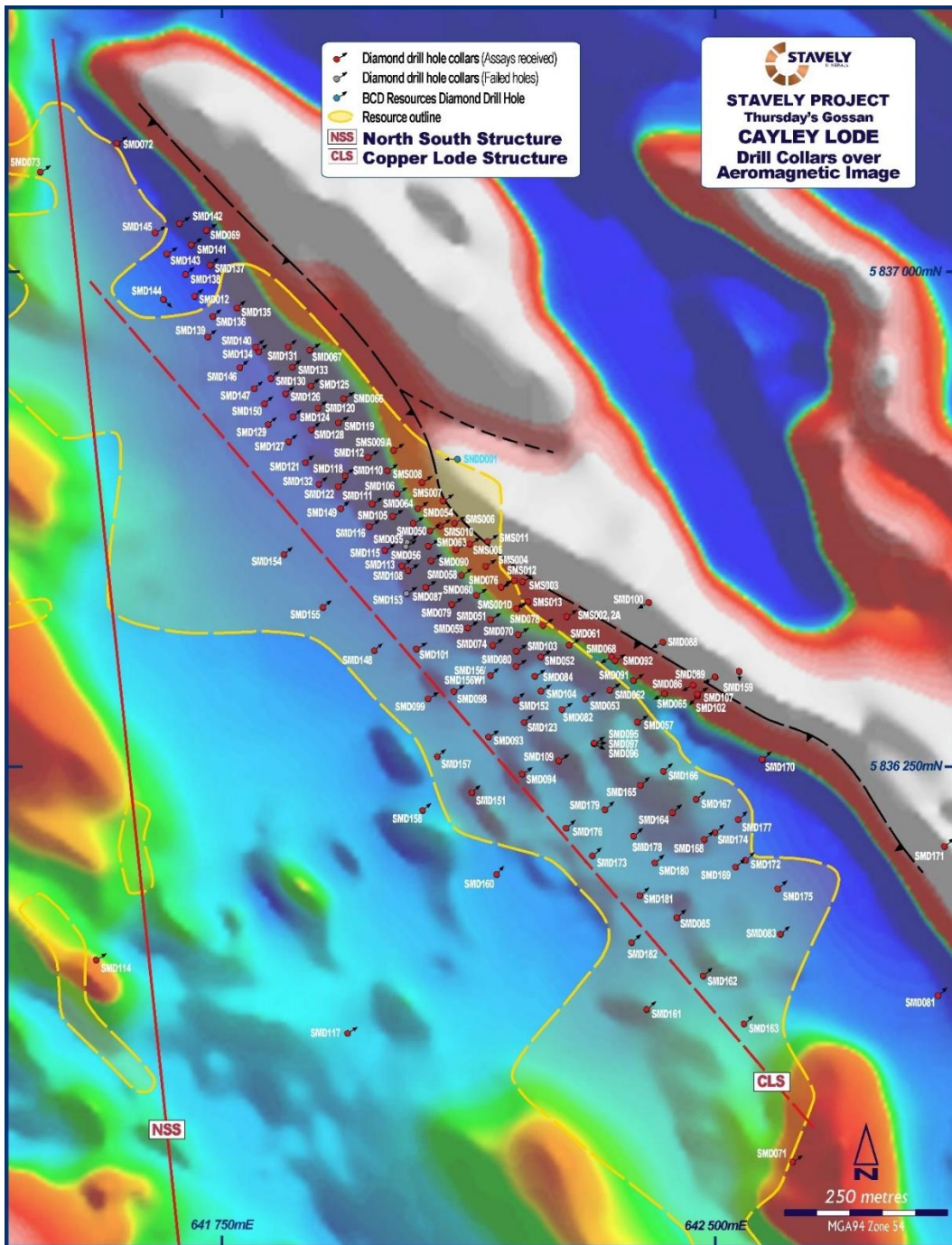


Figure 7. Thursday's Gossan prospect – drill collar location plan over aeromagnetic image.

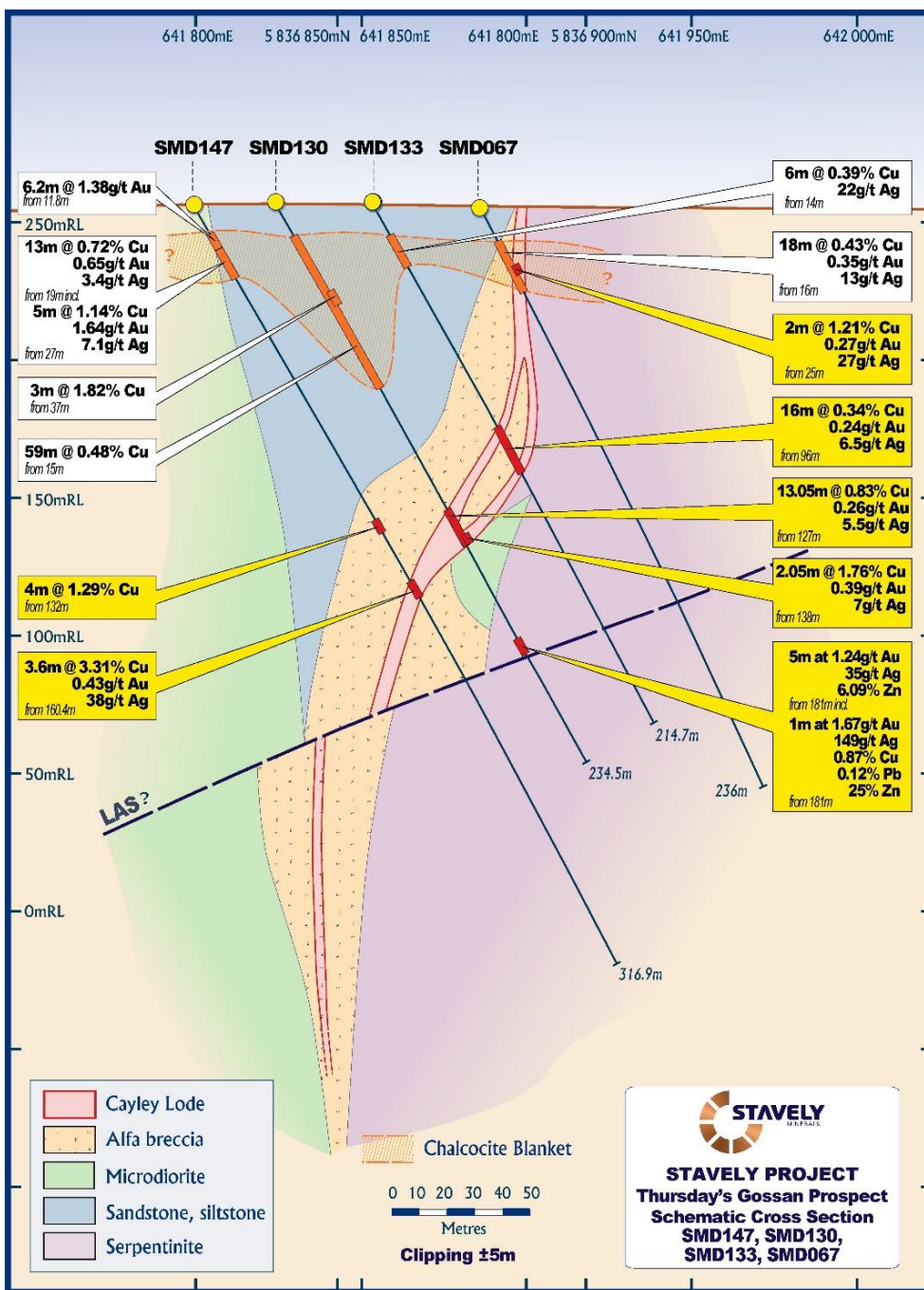


Figure 8. SMD147 drill section.

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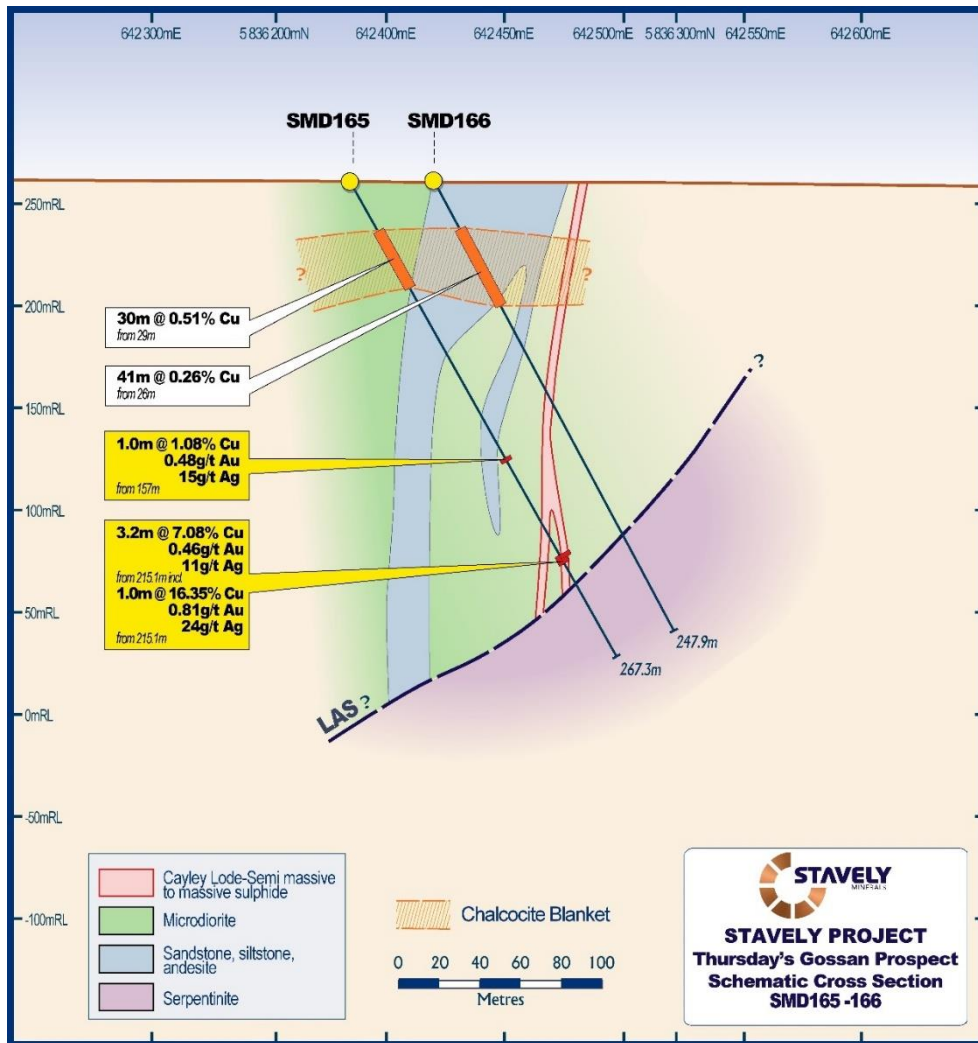


Figure 9. SMD165 – SMD166 drill section.

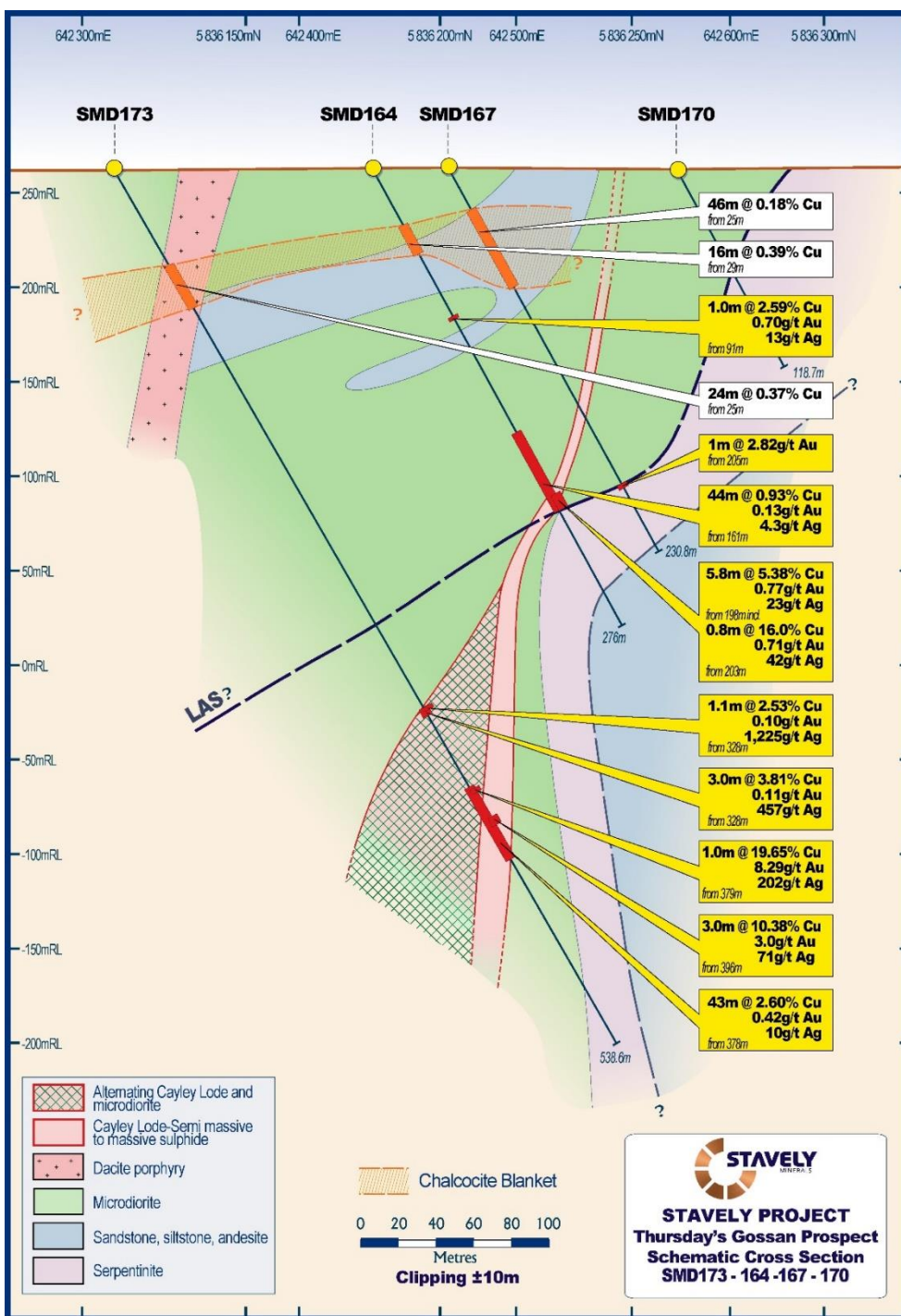


Figure 10. SMD173 - SMD164 drill section.

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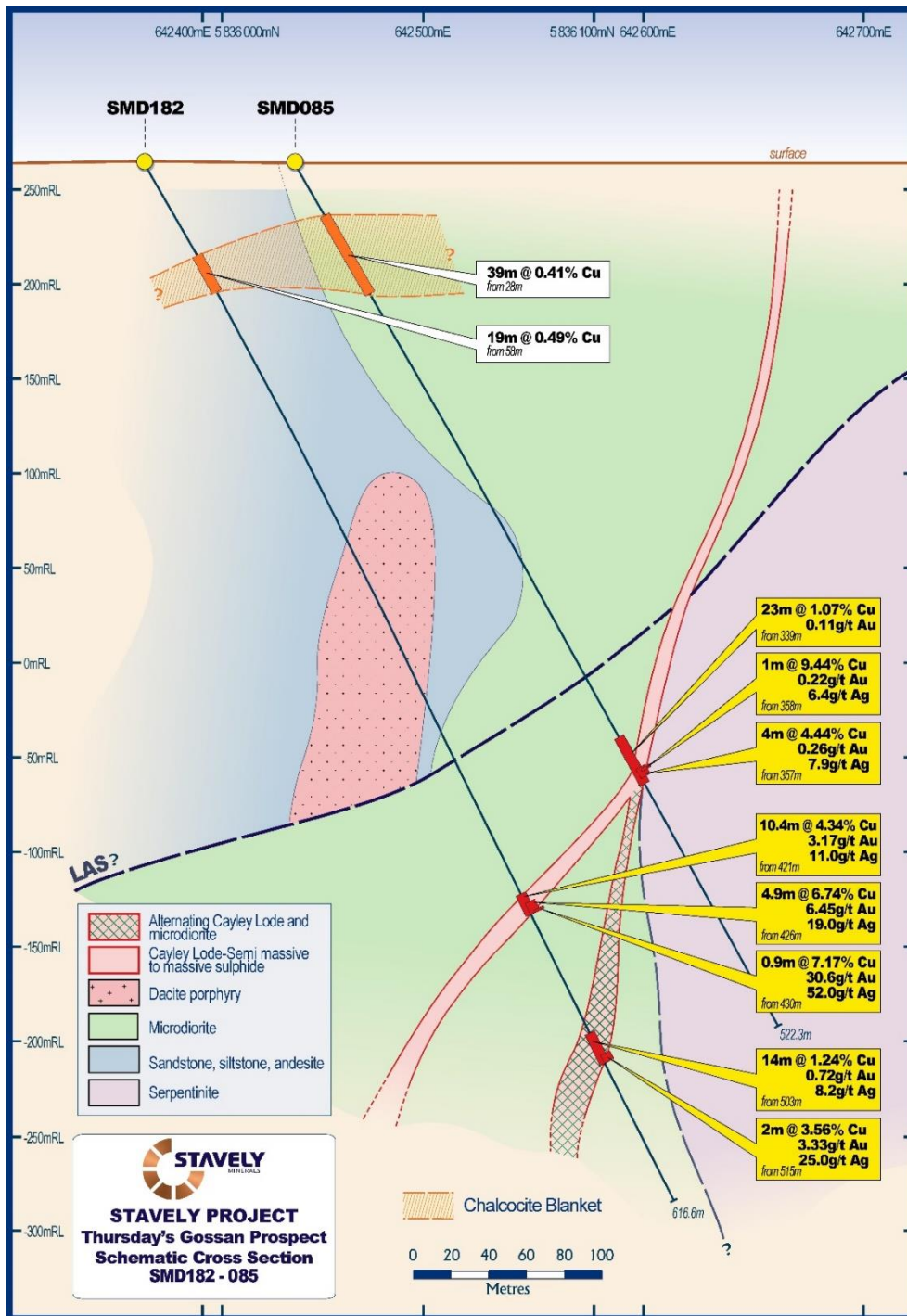


Figure 11. SMD182 drill section.

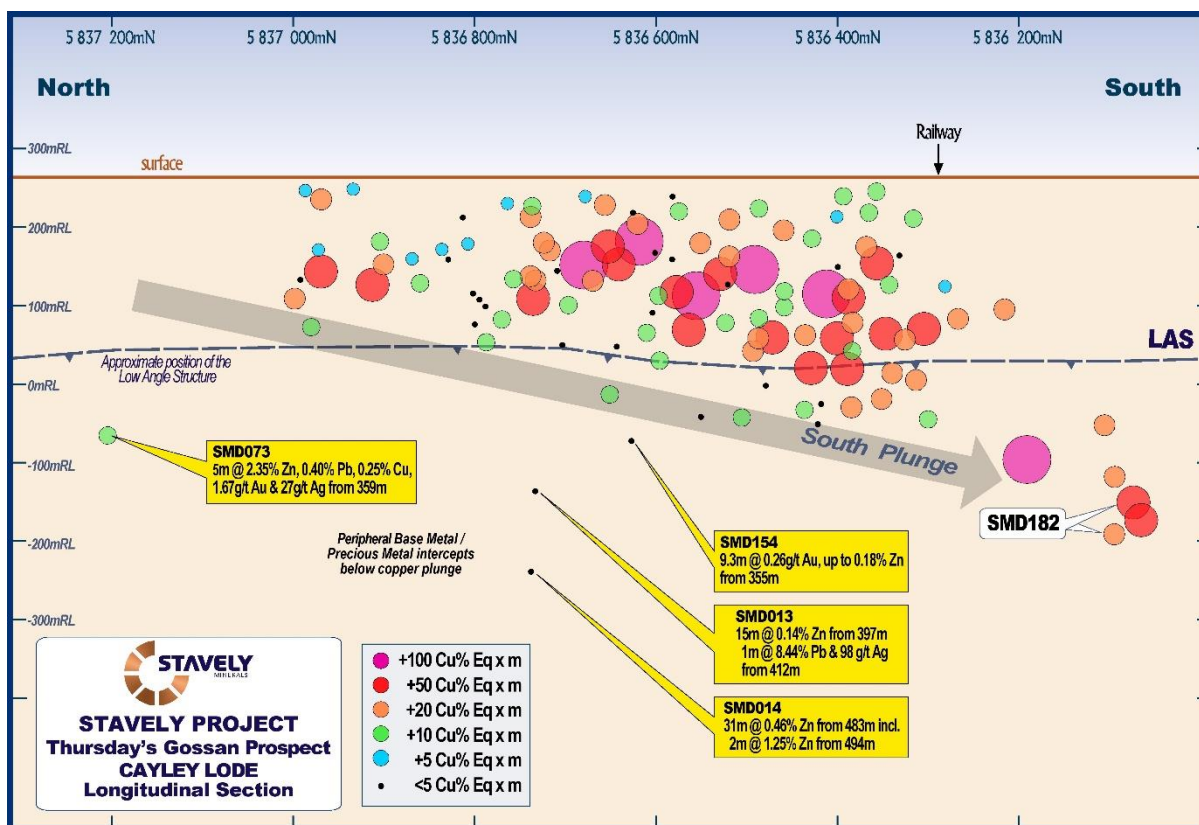


Figure 12. Cayley Lode long-section drill hole pierce points showing location of both upper and lower intersections from SMD182. Note the peripheral base-metal / precious metal intercepts along strike and beneath the plunge of the well-developed copper-gold-silver lode-style mineralisation. This zonation is characteristic of Magma, Arizona lode-style mineralised systems.

Regional Exploration

During the year, the Company embarked on a major new regional exploration initiative across its Stavelly Project. The new multi-pronged exploration program follows the outcomes of an intensive regional prospect review which has identified 19 priority exploration targets.

The porphyry-prospective Stavelly Volcanic Arc is comprised of several volcanic arc segments that have been “structurally dislocated by overprinting deformation events, particularly Siluro-Devonian structures developed during (deformation phase) D4¹.” The Siluro-Devonian D4 deformation sequence is summarised in Figure 13 and explains the transposition of the various arc segments to their current-day position. Figure 14 shows the current-day distribution of the arc segments and their magnetic responses. Prospective arc segments within the Stavelly Volcanic Arc include the Stavelly, Narrapumelap, Dryden, Bunnugal, Elliot, Glenisla and Black Range segments. Stavelly Minerals has a majority holding of all of these segments with the exception of the Glenisla and Black Range segments.

Figure 15 shows the known prospects that are largely exposed or located in areas of sub-crop that have been previously identified by either reconnaissance mapping or stream/soil geochemical sampling programs.

Soil auger sampling was completed in areas of sub-crop including Thursday’s Gossan, Mount Stavelly, Mount Stavelly East, Fairview, Highway, Northern Flexure and the Southern Intrusion prospects.

¹ Regional geology and mineral systems of the Stavelly Arc, western Victoria, Schofield A. ed., 2018. Geoscience Australia Record 2018/02.

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In addition to the known historical prospects, the Stavely Minerals' geology team has identified a large number of additional priority targets under shallow cover. A large number of these 'blind' prospects have never been previously tested. The priority target locations are shown in Figure 16.

Due to the lack of geological data owing to pervasive "Newer Volcanic" basalt cover, targeting is reliant on the interpretation based on aeromagnetism and gravity. Aircore drilling was completed at the Yarram Gap, Muirhead, S4, S41, S29, Mt Elliot East, Neekeya and Buninjon prospects. The aircore program was designed as wide-spaced first-pass (400m x 400m) drilling and had identified porphyry/ intrusive phases associated with argillic/phyllitic alteration, quartz veining and sulphide mineralisation.

Aircore drilling at the Neekeya, Buninjon, Mt Elliot East, S4, S29 and S41 Prospects was co-funded by the Government of Victoria through a TARGET grant associated with the Stavely Tender Block 3 (now EL6870).

At the end of the year, the Company had received all the outstanding assays for the regional auger soil sampling and aircore drilling programs. The results of the regional exploration program are in the process of being spatially assessed and following field checking will be subject to target ranking. Follow-up work on the priority targets will subsequently be planned for the following year.

Black Range Joint Venture Project

During the year, work conducted on the Black Range JV included aircore drilling at the Yarram Gap and Muirhead Prospects and soil auger sampling at the Pollockdale and Lexington prospects as part of the regional exploration initiative across the Stavely Prospect (Figures 15 & 16).

Pollockdale is an intrusion-related copper-gold target located between the Stavely and Bunnagul volcanic belts. Two adjacent samples in the northeast corner of the Pollockdale soil auger sample grid returned weakly anomalous gold results of 17ppb and 6ppb.

Results have been received for the aircore drilling and the soil auger sampling at Lexington. At the end of the year detailed assessment of the results was in progress and, when ranking of the prospects is completed, follow-up work will be planned.

Yarram Park Project

The Yarram Park Project is located within an area where interpretation of regional aeromagnetic data has identified an offset portion of the Bunnagul Belt (another volcanic belt located to the west of the Stavely Belt), beneath the Quaternary cover. Both the Mount Stavely Belt and the Bunnagul Belt are considered to be highly prospective for intrusive-related porphyry copper-gold and diatreme-hosted gold mineralisation. Maiden drilling in 2017 confirmed the existence of the right host rocks with the presence of distal porphyry-style alteration.

During the year, diamond drilling and further aircore drilling was conducted at the Toora West prospect to follow-up anomalous aircore results returned during the previous work year.

A high-resolution drone magnetic survey was completed over the Yarram Park tenements during the year. The new drone magnetic survey demonstrates a significant improvement in resolution compared to the wide-spaced government aeromagnetic data (Figure 17). In addition, ground gravity was completed over recently granted tenement EL7628 and areas of EL5478 that had not previously been covered.

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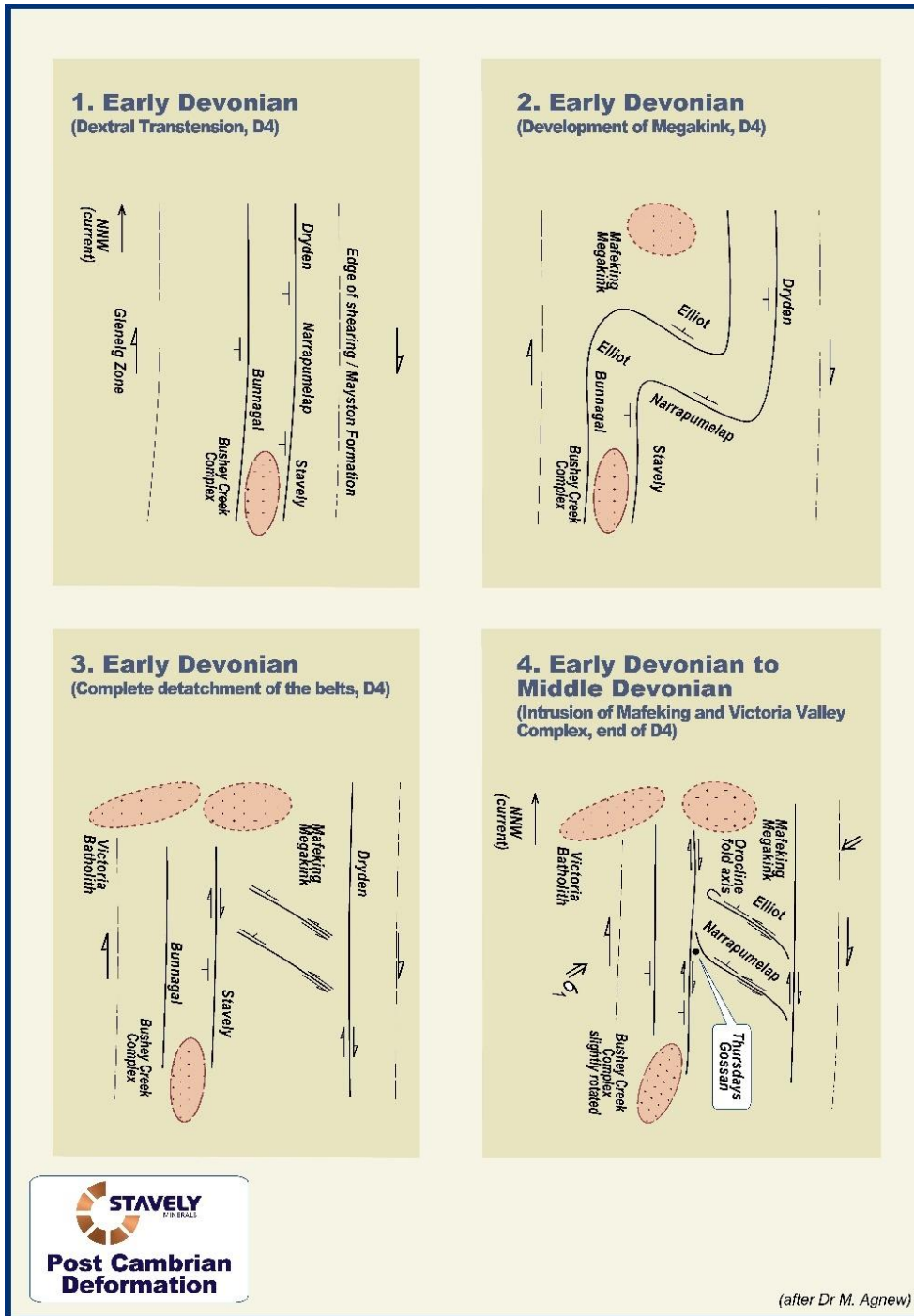


Figure 13. Evolution of the Stavelly Volcanic Arc segmentation during the Devonian D4 deformation (after Stavelly geologist Dr Michael Agnew).

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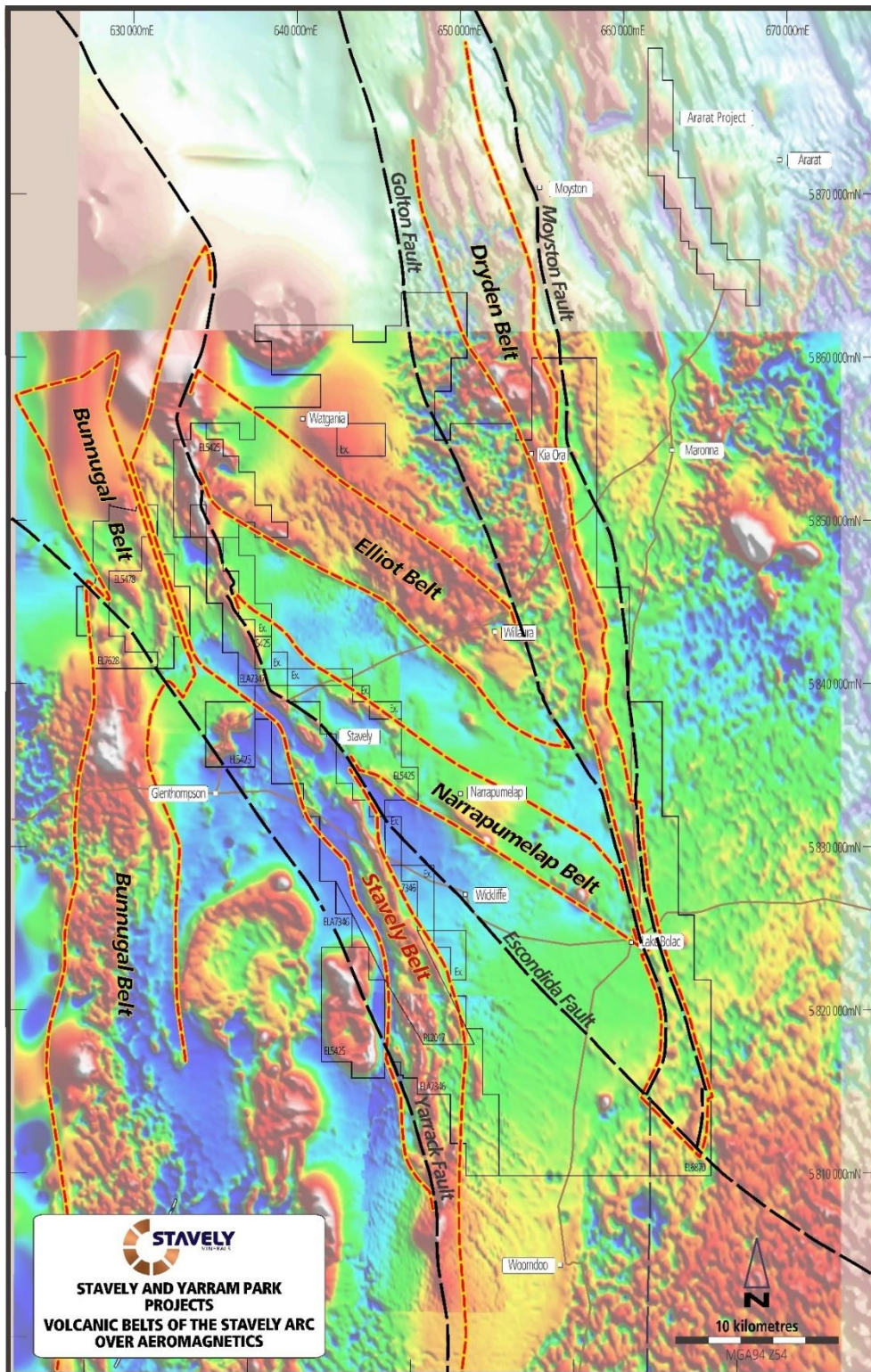


Figure 14. Aeromagnetic image showing Stavelly Volcanic Arc segments.

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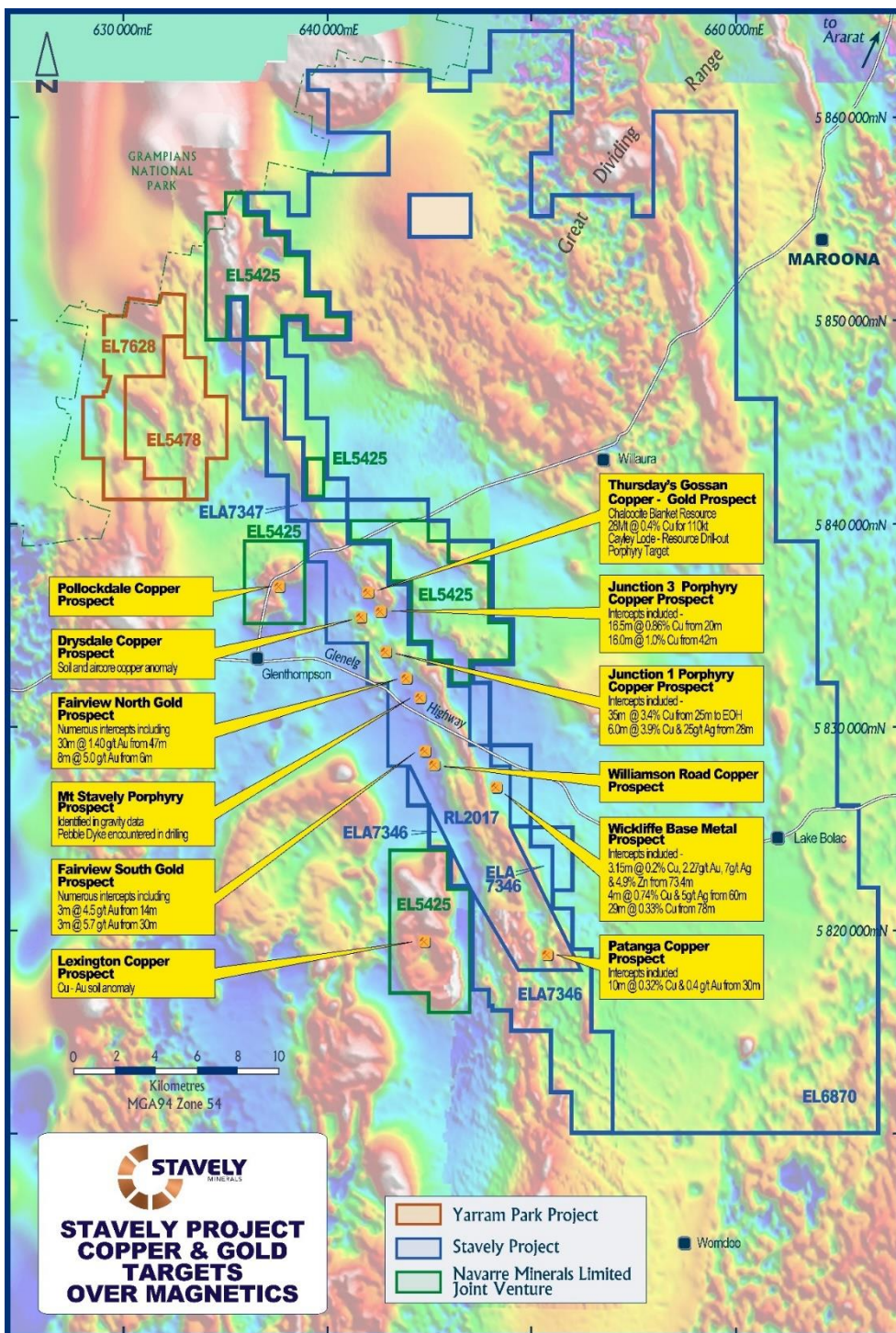


Figure 15. Aeromagnetic image showing historical prospects.

Diamond drilling has confirmed the presence of porphyry-style copper and molybdenum mineralisation as well as a later phase of high-grade gold mineralisation associated with the copper sulphide tetrahedrite.

Diamond drill hole STWD005 (Figure 18) intersected two high-grade gold zones including:

- 0.6m @ 4.27g/t Au, 0.31% Cu, 2.6g/t Ag and 130ppm Mo from 274.2m, and
- 0.6m @ 8.72g/t Au, 1.85% Cu, 5.2g/t Ag & 151ppm Mo from 286.7m

Drill hole STWD006 intersected an interval of low-grade copper anomalism including:

- 27m @ 0.15% Cu from 112m

The copper intersection in STWD006 (Figure 19) – the northernmost diamond drill hole – was hosted in a porphyritic microdiorite and was terminated by a steeply south-west dipping structure.

Drill hole STWD007 (Figure 20) intersected an interval of silver mineralisation near-surface and deeper narrow intervals of copper and molybdenum mineralisation:

- 16m @ 16g/t Ag from 52m down-hole, including
 - 1m @ 150g/t Ag from 65m
- 27m at 0.14% Cu from 268m
- 2m @ 0.24% Cu, 0.19 g/t Au, 1.8g/t Ag & 103 ppm Mo from 335m
- 1m @ 0.19% Mo from 477m
- 1m @ 0.13% Mo from 495m

Geological logging of previous and recently completed air-core drilling has identified a potassic alteration zone, characterised by potassium feldspar alteration selvages on quartz in the north of the Toora West prospect, coincident with a magnetic high with a surrounding magnetic low annulus located just north of hole STWD006 (Figure 17). Diamond hole SWD008 was drilled to test this compelling porphyry target.

STWD008 returned only very weakly mineralised intercepts including:

- 1m @ 0.41% Cu and 2.8 g/t Ag from 39m
- 1m @ 0.19% Cu from 393m, and
- 16m @ 0.10% Cu from 581m

Aircore hole STWAC071 returned a significant gold intercept of:

- 1m @ 11.5 g/t Au from 41m

Examination of the aircore chips and diamond core by Dr Greg Corbett has led him to conclude that while the abundance of intrusion types suggests Toora West as an interesting porphyry-related magmatic system, none of the intrusions contain anything other than a simple and single porphyry Cu-Au style episode of mineralisation. Dr Corbett further concluded that the Cu-Au vein mineralisation in the drill holes is more typical of veins hosted within wall rocks and is likely related to deeper porphyry source rocks.

The Stavely Minerals geological team has concluded that while exploration at Toora West was successful in identifying porphyry-style Cu-Mo-Au mineralisation beneath 30 to 40m of transported cover, the intensity of the veining and alteration encountered is insufficient to warrant further exploration.

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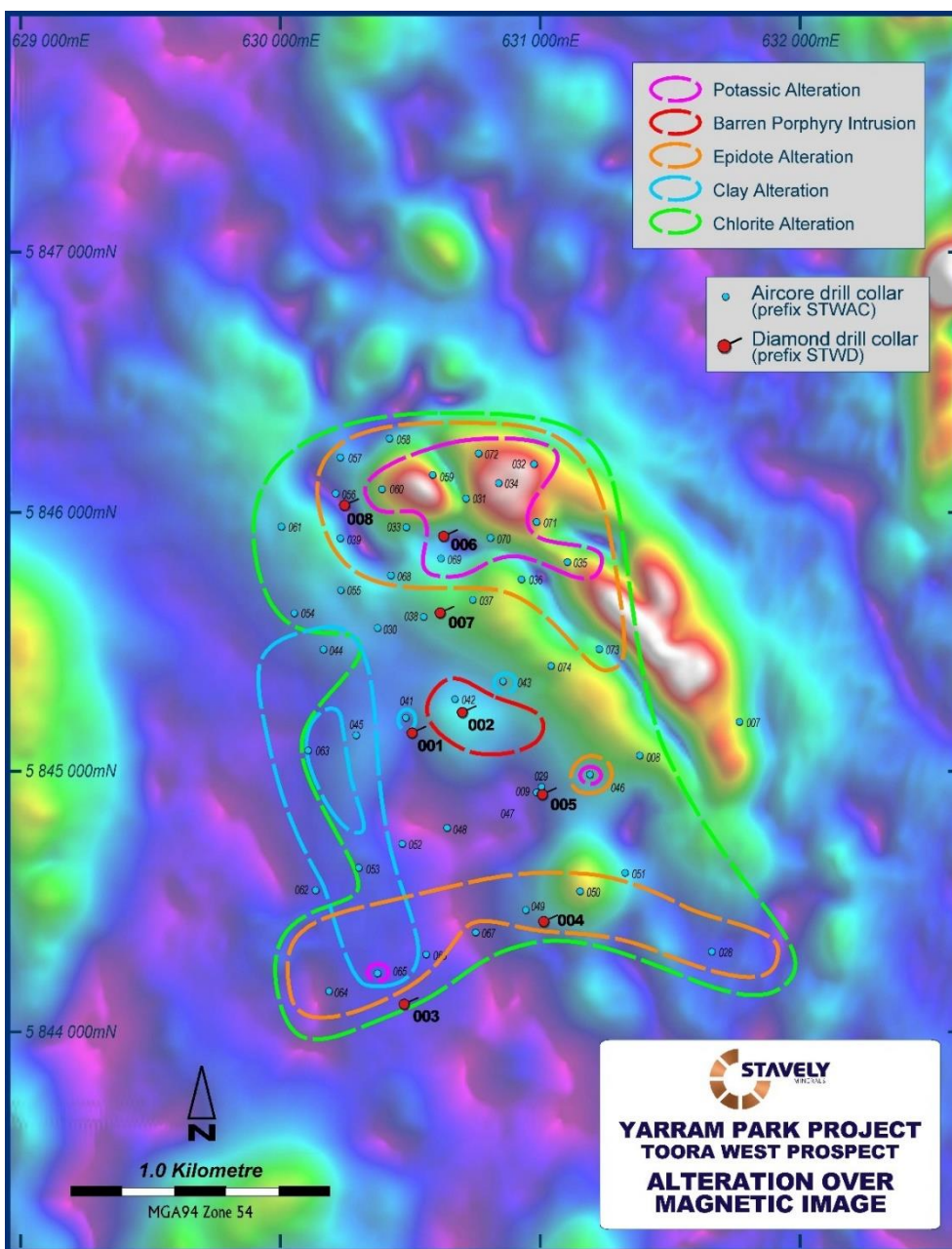


Figure 17. Alteration zonation noted from aircore drilling. Drone magnetics as the background. Note the potassic alteration zone logged from aircore drill chips in the north of the Toora West prospect and the NW magnetic high with a surrounding magnetic low annulus located just north of STWD006.

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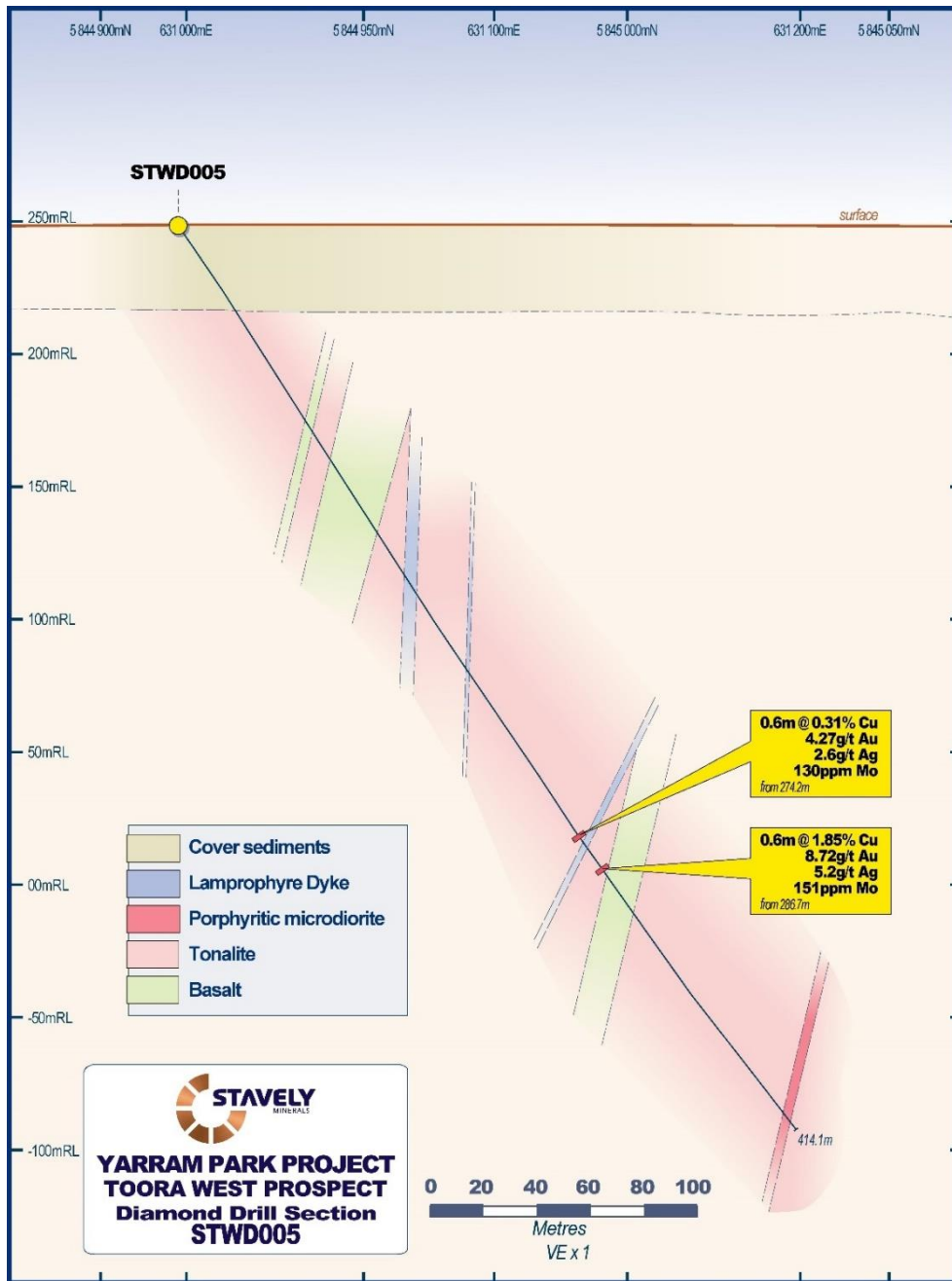


Figure 18. STWD005 drill section.

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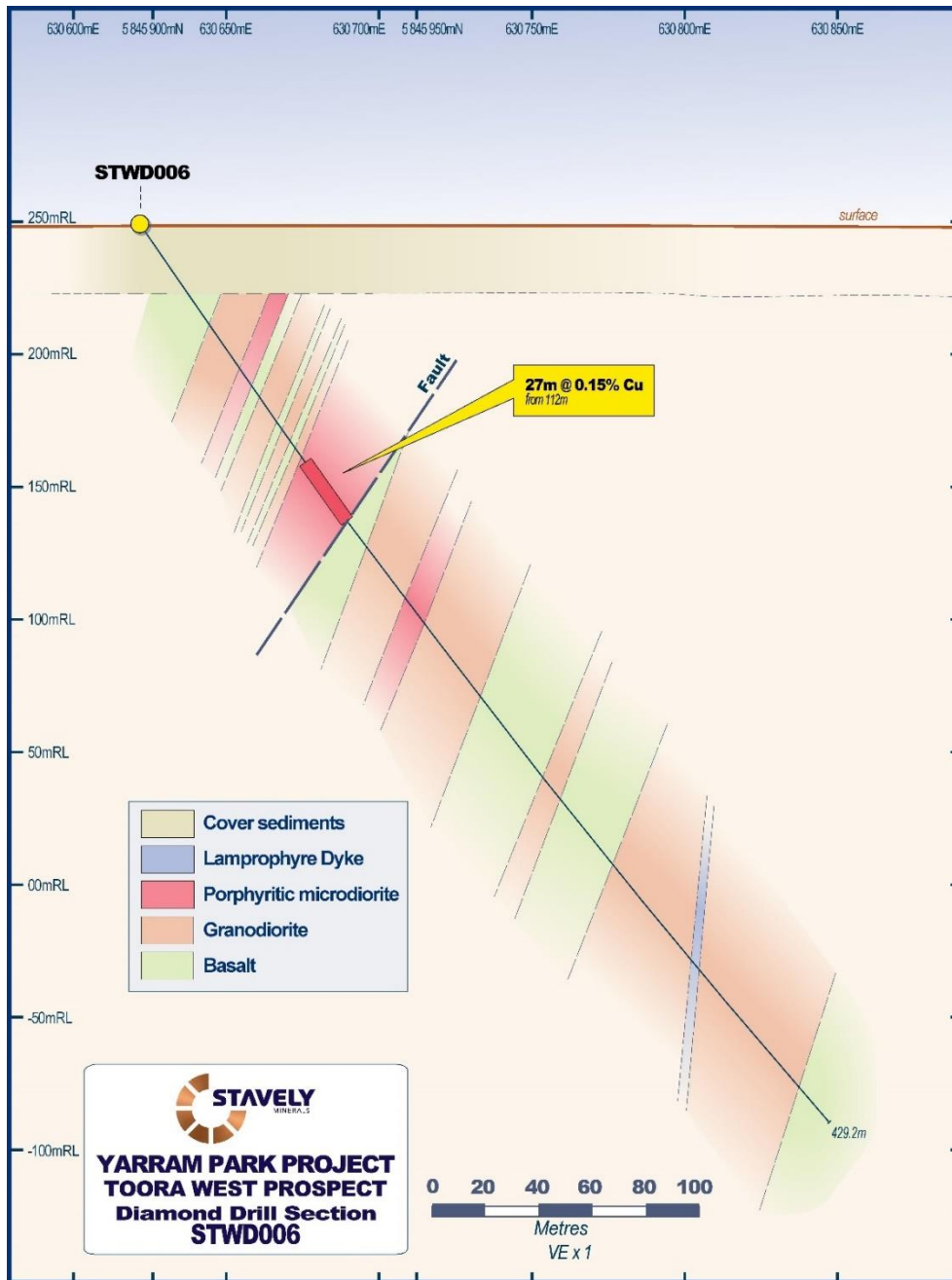


Figure 19. STWD006 drill section.

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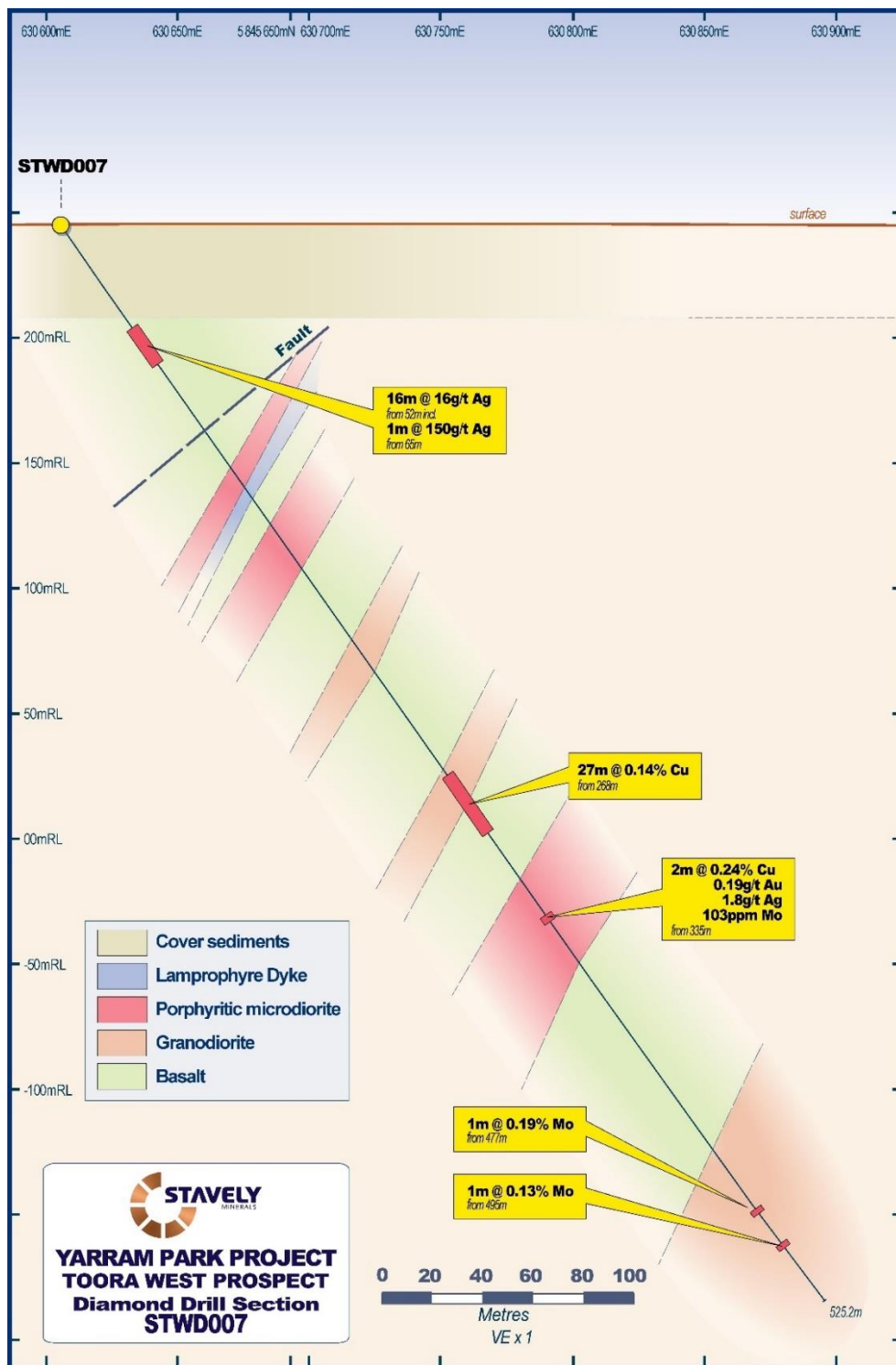


Figure 20. STWD007 drill section.

Thursday's Gossan Prospect – Cayley Lode Collar Table							
Hole id	Hole Type	MGA 94 zone 54					Comments
		East	North	Dip/ Azimuth	RL (m)	Total Depth (m)	
SMD050	DD	642070	5836609	-60/59.5	264	132.6	
SMD051	DD	642160	5836476	-60/59.5	264	220.9	
SMD052	DD	642238	5836421	-60/59.5	264	271.7	
SMD053	DD	642302	5836355	-60/59.5	264	273.6	
SMD054	DD	642048	5836641	-60/59.5	264	245.5	
SMD055	DD	642032	5836595	-60/59.5	264	169.9	Hole failed prior to target depth
SMD056	DD	642031	5836590	-60/59.5	264	185.8	Hole failed prior to target depth
SMD057	DD	642386	5836309	-60/59.5	264	242.2	
SMD058	DD	642115	5836542	-60/59.5	264	140.5	
SMD059	DD	642122	5836461	-60/59.5	264	317.8	
SMD060	DD	642137	5836508	-60/59.5	264	203.2	
SMD061	DD	642276	5836435	-60/59.5	264	219.5	
SMD062	DD	642337	5836367	-60/59.5	264	227.70	
SMD063	DD	642063	5836585	-60/59.5	264	162.7	
SMD064	DD	642041	5836619	-60/59.5	264	184.9	
SMD065	DD	642427	5836356	-60/239.5	264	350	
SMD066	DD	641936	5836807	-60/59.5	264	294	
SMD067	DD	641884	5836880	-60/59.5	264	236	
SMD068	DD	642342	5836414	-60/239.5	264	342	
SMD069	DD	641725	5837063	-60/59.5	264	130.7	
SMD070	DD	642199	5836451	-60/59.5	264	399.6	
SMD071	DD	642616	5835650	-60/59.5	264	562.6	Re-entered 1 June 2021
SMD072	DD	641585	5837196	-60/59.5	264	100.9	
SMD073	DD	641473	5837155	-60/59.5	264	409.9	
SMD074	DD	642162	5836437	-60/59.5	264	302	
SMD076	DD	642174	5836523	-60/59.5	264	198.4	
SMD078	DD	642237	5836464	-60/59.5	264	274.9	
SMD079	DD	642099	5836496	-60/59.5	264	306.7	
SMD080	DD	642196	5836406	-60/59.5	264	309.3	
SMD081	DD	642837	5835899	-60/51	268	197	
SMD082	DD	642264	5836342	-60/59.5	264	313.4	
SMD083	DD	642599	5835995	-60/49.5	264	433.1	
SMD084	DD	642236	5836364	-60/59.5	264	278.1	
SMD085	DD	642444	5836022	-60/49.5	264	522.3	
SMD086	DD	642465	5836370	-60/239.5	264	385.9	
SMD087	DD	642060	5836522	-60/59.5	264	268.3	
SMD089	DD	642502	5836384	-60/239.5	262	502.1	

Thursday's Gossan Prospect – Cayley Lode Collar Table

MGA 94 zone 54							
Hole id	Hole Type	East	North	Dip/ Azimuth	RL (m)	Total Depth (m)	Comments
SMD090	DD	642068	5836563	-60/59.5	262	213.8	
SMD091	DD	642374	5836383	-60/59.5	262	191	
SMD092	DD	642346	5836411	-60/59.5	262	222	
SMD093	DD	642153	5836294	-60/59.5	262	515.1	
SMD093W1	DD	642153	5836294	-60/57.4	262	339.1	SMD093W1 is wedged off SMD093 in order to recover lost core through the Cayley Lode in SMD093
SMD094	DD	642205	5836237	-60/59.5	262	608.3	
SMD094W1	DD	642205	5836237	-60/57.0	262	281.1	SMD094W1 is wedged off SMD094 in order to recover lost core through the Cayley Lode in SMD093
SMD095	DD	642205	5836237	-60/59.5	262	304.6	
SMD096	DD	642319	5836284	-60/71.5	262	287.7	
SMD097	DD	642319	5836284	-60/88.5	262	298.6	
SMD098	DD	642102	5836364	-60/59.5	262	449.1	
SMD099	DD	642063	5836352	-60/59.5	262	531	
SMD100	DD	642396	5836495	-60/239	259	451.8	
SMD101	DD	642044	5836427	-70/59	260	379.7	
SMD102	DD	642471	5836355	-60/223	260	350.6	
SMD103	DD	642196	5836425	-60/59	261	214.6	
SMD104	DD	642225	5836386	-60/59	261	285.6	
SMD105	DD	642009	5836628	-60/59	258	315.6	
SMD106	DD	642015	5836661	-60/59	258	193.8	
SMD107	DD	642471	5836359	-60/59	260	232.8	
SMD108	DD	642031	5836548	-60/59	260	310.7	
SMD109	DD	642261	5836257	-60/59	260	399.2	
SMD110	DD	642000	5836699	-60/59	260	252.4	
SMD111	DD	641977	5836648	-60/59	260	294.2	
SMD112	DD	641971	5836718	-60/59	260	274.4	
SMD113	DD	642031	5836553	-58/56	260	280.3	
SMD114	DD	641558	5835953	-65/59	260	1844.8	
SMD115	DD	641995	5836579	-60/59	261	296.3	
SMD116	DD	641972	5836613	-60/58	261	304.2	
SMD117	DD	641940	5835842	-60/58	261	1711.8	
SMD118	DD	641936	5836691	-60/52	261	247.9	
SMD119	DD	641927	5836771	-60/59	262	246.5	
SMD120	DD	641896	5836793	-62/58	261	233	
SMD121	DD	641875	5836711	-60/60	261	292.9	
SMD122	DD	641926	5836671	-60/58	261	292.6	
SMD123	DD	642209	5836316	-60/59	261	380.1	

Thursday's Gossan Prospect – Cayley Lode Collar Table							
Hole id	Hole Type	MGA 94 zone 54					Comments
		East	North	Dip/ Azimuth	RL (m)	Total Depth (m)	
SMD124	DD	641858	5836779	-60/59	261	242.8	
SMD125	DD	641885	5836827	-60/59	261	168.5	
SMD126	DD	641846	5836813	-60/59	257	248	
SMD127	DD	641849	5836739	-60/59	258	289.9	
SMD128	DD	641887	5836759	-60/59	257	256.5	
SMD129	DD	641821	5836766	-60/59	258	269.7	
SMD130	DD	641824	5836837	-60/59	260	234.5	
SMD131	DD	641851	5836885	-60/59	262	196.6	
SMD132	DD	641898	5836677	-60/53	261	302.8	
SMD133	DD	641858	5836854	-60/59	261	214.7	
SMD134	DD	641806	5836878	-60/59	261	184.6	
SMD135	DD	641773	5836945	-60/59	261	188.8	
SMD136	DD	641736	5836932	-60/59	261	273.4	
SMD137	DD	641731	5837009	-60/59	257	211	
SMD138	DD	641691	5836994	-60/59	258	249.3	
SMD139	DD	641728	5836900	-60/59	258	240.5	
SMD140	DD	641801	5836887	-60/59	257	264	
SMD141	DD	641704	5837042	-60/59	257	237.2	
SMD142	DD	641685	5837073	-60/59	257	232.9	
SMD143	DD	641665	5837027	-60/59	258	249.4	
SMD144	DD	641661	5836957	-60/130	259	279.4	
SMD145	DD	641648	5837059	-60/59	257	264.3	
SMD146	DD	641777	5836855	-60/59	257	298.9	
SMD147	DD	641799	5836823	-60/59	257	316.9	
SMD148	DD	641981	5836424	-60/59	257	651.5	
SMD149	DD	641930	5836640	-60/59	257	326.5	
SMD150	DD	641815	5836800	-60/59	257	278.5	
SMD151	DD	642129	5836210	-60/59	257	901.4	
SMD152	DD	642196	5836351	-60/59	257	354.2	
SMD153	DD	642029	5836513	-60/59	257	19.1	Abandoned
SMD154	DD	641845	5836570	-60/59	262	451	
SMD155	DD	641903	5836490	-60/59	262	463.6	
SMD156	DD	642157	5836387	-60/59	262	355.9	
SMD156W1	DD	642157	5836387	-60/59	262	291.1	
SMD157	DD	642077	5836264	-60/59	262	533.2	
SMD158	DD	642054	5836182	-60/59	262	669.4	
SMD159	DD	642536	5836394	-60/180	262	642.6	

Thursday's Gossan Prospect – Cayley Lode Collar Table								
Hole id	Hole Type	MGA 94 zone 54					Total Depth (m)	Comments
		East	North	Dip/ Azimuth	RL (m)			
SMD160	DD	642167	5836085	-60/49	262	717.5		
SMD161	DD	642393	5835880	-60/49	262	718.7		
SMD162	DD	642480	5835930	-60/49	262	593.4		
SMD163	DD	642542	5835856	-60/49	262	630.8		
SMD164	DD	642433	5836177	-60/52	262	276		
SMD165	DD	642383	5836217	-60/50	262	267.3		
SMD166	DD	642418	5836238	-60/50	262	247.9		
SMD167	DD	642469	5836199	-60/50	262	232.3		
SMD168	DD	642483	5836138	-60/50	262	180.3		
SMD169	DD	642532	5836095	-60/50	263	260		
SMD170	DD	642573	5836258	-60/50	261	118.7		
SMD171	DD	642580	5836125	-60/50	262	247.6		
SMD172	DD	642547	5836125	-60/50	260	226.8		
SMD173	DD	642313	5836113	-60/50	262	538.6		
SMD174	DD	642500	5836147	-60/50	262	235.7		
SMD175	DD	642594	5836062	-60/50	262	233.7		
SMD176	DD	642271	5836155	-60/50	262	480.1		
SMD177	DD	642534	5836167	-60/50	262	198.5		
SMD178	DD	642374	5836143	-60/50	262	334.4		
SMD179	DD	642330	5836184	-60/50	262	317.6		
SMD180	DD	642408	5836101	-60/50	262	322.8		
SMD181	DD	642383	5836050	-60/50	262	533.2		
SMD182	DD	642372	5835979	-60/50	262	616.6		
SMS001D	Sonic/DD	642197	5836489	-60/59.5	264	212	Failed to test target - drilled to east of Cayley Lode	
SMS002AD	Sonic/DD	642275	5836478	-60/59.5	264	105.4	Failed to test target - drilled to east of Cayley Lode	
SMS003	Sonic	642207	5836523	-60/59.5	264	97	Failed to test target - drilled to east of Cayley Lode	
SMS004	Sonic	642150	5836555	-60/59.5	264	131.5	Failed to test target - drilled to east of Cayley Lode	
SMS005	Sonic	642125	5836587	-60/59.5	264	85.5		
SMS006	Sonic	642102	5836620	-60/59.5	264	76		
SMS007	Sonic	642085	5836654	-60/59.5	264	64		
SMS008	Sonic	642055	5836680	-60/59.5	264	64		
SMS009	Sonic	642011	5836730	-60/59.5	264	54	Abandoned	
SMS009A	Sonic	642011	5836730	-60/59.5	264	80	Re-drill of SMS009A	
SMS010	Sonic	642083	5836614	-60/59.5	264	83		
SMS011	Sonic	642106	5836581	-60/59.5	264	88		
SMS012	Sonic	642193	5836530	-60/239.5	261	80		
SMS013	Sonic	642212	5836497	-60/234.5	262	58		

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 (%)	
SMD050	DD	642070	5836609	-60/59.5	264	132.6	19	28	9	0.32				
							62	94	32	5.88	1.00	58		
							Incl.	82	94	12	14.3	2.26	145	
							and	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		
							Incl.	106.6	115.1	8.5	4.38	0.87	32.7	
							and	134.0	137.0	3.0	5.66	0.29	4.60	
							Incl.	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		
							Incl.	202	207	5	5.81	3.20	43.6	
							and	203	204	1	8.42	1.77	97	
							and	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			
						Incl.	68	91	23	1.34	0.26	3.5	
							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	
						Incl.	197	202	5	3.28	0.27	13	
							235	253	18	1.00	0.10	3	
							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 ¹	0.68			
						Incl.	74	135.4	48.2 ²	1.04	0.31	14	
						Incl.	74	86	12	1.55	0.63	13	
						and	111	135.4	13.6 ³	1.90	0.38	33	
						Incl.	129	135.1	6.10	3.55	0.73	41	
							116.6	119	2.4 ⁴				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	
SMD071	DD	642616	5835650	-60/59.5	264	562.6	No Significant Results						
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			
						Incl.	176	183.6	7.6	1.36	0.24	7	
							193	197.7	4.3 ^s	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			
						Incl.	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			
						Incl.	25	52	27	0.58			
							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	
SMD081	DD	642837	5835899	-60/51	268	197	No Significant Results						
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			

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 (%)	
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	
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 ⁶	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	

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 (%)	
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							
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			
								36	54	18	1.11			
							Incl.	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	

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 (%)	
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		
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 ⁷	133	48	1.39	6.33	12		
							Incl.	115 ⁸	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	

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 (%)	
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	
							Incl.	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	35	77	42	0.53				
							262	265	3	1.35	0.20	2.7		
							Incl.	283.5	295	11.5	2.74	0.35	4.5	
							Incl.	292	294.1	2.1	7.25	0.67	11	
SMD110	DD	642000	5836699	-60/59	260	252.4	20	65	45	0.28				
							Incl.	33	41	8	0.44	0.20	2.5	
							Incl.	97	106	9	2.34	0.56	12	
							Incl.	102	105	3	4.50	0.87	17	
SMD111	DD	641977	5836648	-60/59	260	294.2	36.7	87	50.3	0.27	0.14	2.5		
							Incl.	83	87	4	0.82	0.97	10	
							Incl.	131	166	35	0.46	0.92	9.4	
							Incl.	131	148	17	0.42	1.34	10	
							and	164	166	2	2.85	2.25	45	
SMD112	DD	641971	5836718	-60/59	260	274.4	119.6	147.6	28	0.79	0.16	5.4		
							Incl.	134.1	146	11.9	1.56	0.29	12	
							Incl.	135	139	4	2.49	0.41	19	
SMD113	DD	642031	5836553	-58/56	260	280.3	25	71	46	0.35				
							153	174	21	0.50	0.15	6.5		
							230	239.9	9.9	1.08	0.06	5.9		
SMD114	DD	641558	5835953	-65/59	260	1844.8	830	842	12	1.43	0.23	7.4		
							Incl.	839	841	2	4.98	0.61	25	
SMD115	DD	641995	5836579	-60/59	261	296.3	23	62	39	0.26				
SMD116	DD	641972	5836613	-60/58	261	304.2	23	72	49	0.35		2.7		
SMD117	DD	641940	5835842	-60/58	261	1711.8	No Significant Results							
SMD118	DD	641936	5836691	-60/52	261	247.9	No Significant Results							
SMD119	DD	641927	5836771	-60/59	262	246.5	No Significant Results							
SMD120	DD	641896	5836793	-62/58	261	233	No Significant Results							

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 (%)	
SMD121	DD	641875	5836711	-60/60	261	292.9	26	41	15	0.31				
							104	177	73	0.64	0.70	6.8		
							Incl.	110.4	112	1.6	1.72	20.47	30	
							and	150	177	27	1.04	0.46	11	
							Incl.	170	177	7	2.56	1.00	19	
						246	247	1	1.67	0.18	39.4			
SMD122	DD	641926	5836671	-60/58	261	292.6	21	27	6	0.32	0.15	1.4		
							101	119	18	0.26		25		
							158	160	2	0.26	1.71	7.3		
							172	189	17	0.65	0.13	10		
SMD123	DD	642209	5836316	-60/59	261	380.1	Incl.	31	78	47	0.59			
								52	62	10	1.15		1.6	
								231	233	2	1.73			
SMD124	DD	641858	5836779	-60/59	261	242.8	16	24	8	0.41				
SMD125	DD	641885	5836827	-60/59	261	168.5	122	135	13		0.41	12		
SMD126	DD	641846	5836813	-60/59	257	248	No Significant Results							
SMD127	DD	641849	5836739	-60/59	258	289.9	22	44	22	0.37				
							Incl.	126	200.8	74.8	0.37	0.23	5.9	
								151	159	8	1.36	0.81	17	
							Incl.	156	158	2	2.78	1.26	33	
							and	199.3	200.8	1.5	2.46	0.81	37	
SMD128	DD	641887	5836759	-60/59	257	256.5	No Significant Results							
SMD129	DD	641821	5836766	-60/59	258	269.7	No Significant Results							
SMD130	DD	641824	5836837	-60/59	260	234.5	Incl.	15	74	59	0.48			
								37	40	3	1.82			
							Incl.	127	140.05	13.05	0.83	0.26	5.5	
								138	140.05	2.05	1.76	0.39	7.0	
							Incl.	181	186	5		1.24	35	
								181	182	1	0.87	1.67	149	
SMD131	DD	641851	5836885	-60/59	262	196.6	Incl.	18	45	27	0.85	0.12	5.3	
								28	37	9	1.82	0.20	11	
							Incl.	32	36	4	3.11	0.26	20	
								83	90	7	1.65	0.41	30	

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 (%)	
SMD132	DD	641898	5836677	-60/53	261	302.8	27	55	28	0.35				
SMD133	DD	641858	5836854	-60/59	261	214.7	96	112	16	0.34	0.24	6.5		
SMD134	DD	641806	5836878	-60/59	261	184.6	101	149.8	44.2 ⁹	0.61	0.26	6.2		
							Incl.	134	149.8	11.2 ⁹	1.71	0.59	17	
							Incl.	148.4	149.8	1.4	3.18	0.39	44	
SMD135	DD	641773	5836945	-60/59	261	188.8	66.6	93	26.4 ¹⁰	1.17	0.17	8		
							Incl.	66.6	73	6.4 ¹⁰	4.02	0.50	29	
							Incl.	67.3	68.3	1	21.2	1.75	142	
							Incl.	121	134	13	1.54	2.2	203	
SMD136	DD	641736	5836932	-60/59	261	273.4	29	104	75	0.32				
							30	35.8	5.8	1.39	0.19	8		
SMD137	DD	641731	5837009	-60/59	257	211	No Significant Results							
SMD138	DD	641691	5836994	-60/59	258	249.3	No Significant Results							
SMD139	DD	641728	5836900	-60/59	258	240.5	94	173	79	0.38	0.10	4.7		
							Incl.	94	103	9	1.25	0.18	19	
SMD140	DD	641801	5836887	-60/59	257	264	37	57	20	0.27				
							Incl.	93.8	143	49.2	0.96	0.28	11	
							and	94.4	97	2.6	2.16	0.55	10	
							and	114	118	4	2.42	0.56	25	
SMD141	DD	641704	5837042	-60/59	257	237.2	No Significant Results							
SMD142	DD	641685	5837073	-60/59	257	232.9	No Significant Results							
SMD143	DD	641665	5837027	-60/59	258	249.4	No Significant Results							
SMD144	DD	641661	5836957	-60/130	259	279.4	186	212	26	0.44	0.14	2.6		
							Incl.	186	188	2	1.40	0.27	5.4	
SMD145	DD	641648	5837059	-60/59	257	264.3	148	152	4	0.87	0.19	29		
SMD146	DD	641777	5836855	-60/59	257	298.9	130.8	149	18.2	0.59	0.24	8.1		
							Incl.	132.2	135	2.8	1.74	0.72	20	
SMD147	DD	641799	5836823	-60/59	257	316.9	11.8	18	6.2		1.38			
							Incl.	19	32	13	0.72	0.65	3.4	
							Incl.	27	32	5	1.14	1.64	7.1	
							Incl.	132	136	4	1.29			
							Incl.	160.4	164	3.6	3.31	0.43	38	

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 (%)
SMD148	DD	641981	5836424	-60/59	257	651.5	42	76	34	0.39			
SMD149	DD	641930	5836640	-60/59	257	326.5	22	32	10	0.49	0.15	1.8	
						Incl.	22	24	2	1.01	0.60	3.8	
							209	211	2	3.27	1.13	6.8	
SMD150	DD	641815	5836800	-60/59	257	278.5	22	37	15	0.33			
							144	149	5	0.96	0.18	9.3	
							181	183	2	1.47	0.88	21	
SMD151	DD	642129	5836210	-60/59	257	901.4	77	194	117	0.48			
						Incl.	78	99	21	1.38			
							410	418	8	1.04	0.10	6	
SMD152	DD	642196	5836351	-60/59	257	354.2	26.7	138	111.3	0.35			
						Incl.	27.6	35	7.4	1.44			
							219	283.1	64.1	1.04	0.13	3.5	
						Incl.	219	237	18	1.49	0.10	4.0	
						and	249	254	5	1.65	0.27	5.6	
						and	273.4	283.1	9.7	2.48	0.38	8.6	
SMD153	DD	642029	5836513	-60/59	257	19.1	Hole abandoned – no samples						
SMD154	DD	641845	5836570	-60/59	262	451	21	210	189	0.25			
						Incl.	21	50	29	0.40			
							355	364.3	9.3		0.26	4.2	
SMD155	DD	641903	5836490	-60/59	262	463.6	No Significant Results						
SMD156	DD	642157	5836387	-60/59	262	355.9	28	45	17	0.77			
						Incl.	35	39	4	1.78			
							247	269.8	22.8 ¹¹	2.27	0.38	19	
						Incl.	247	250	3	6.86	1.00	11	
						and	265.1	269.8	4.7 ¹²	4.07	0.78	77	
SMD156W1	DD	642157	5836387	-60/59	262	291.1	246.9	270	23.1 ¹³	1.67	0.25	19	
						Incl.	246.9	250	3.1 ¹⁴	6.21	0.69	77	
SMD157	DD	642077	5836264	-60/59	262	533.2	54	200	146	0.33			
						Incl.	28	56	28	0.77			
SMD158	DD	642054	5836182	-60/59	262	669.4	89	99	10	0.70			
							213	330	117	0.30			

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 (%)	
SMD159	DD	642536	5836394	-60/180	262	642.6	348.9	351	1.1	4.58	0.33	24		
							375	376	1	1.21	0.13	4.3		
							419	420	1	1.73		5.3		
							474.3	480.2	5.9	3.92	0.45	7.4		
							496	498.1	2.1	2.49	0.27	11		
							528	554.8	26.8	1.55	0.35	10		
						Incl.	547.3	553.3	6	3.81	1.05	23		
SMD160	DD	642167	5836085	-60/49	262	717.5	No Significant Results							
SMD161	DD	642393	5835880	-60/49	262	718.7	34	71	37	0.26				
SMD162	DD	642480	5835930	-60/49	262	593.4	28	42	14	0.29				
							544	545	1		5.01			
							572	574	2	0.17	1.16	5.8		
SMD163	DD	642542	5835856	-60/49	262	630.8	No Significant Results							
SMD164	DD	642433	5836177	-60/52	262	276	29	45	16	0.39				
							91	92	1	2.59	0.70	13		
							161	205	44	0.93	0.13	4.3		
							Incl.	198	203.8	5.8	5.38	0.77	23	
							Incl.	203	203.8	0.8	16	0.71	42	
SMD165	DD	642383	5836217	-60/50	262	267.3	29	59	30	0.51				
							157	158	1	1.08	0.48	15		
							215.1	218.3	3.2	7.08	0.46	11		
							Incl.	215.1	216.1	1	16.35	0.81	24	
SMD166	DD	642418	5836238	-60/50	262	247.9	26	67	41	0.26				
SMD167	DD	642469	5836199	-60/50	262	232.3	25	71	46	0.18				
							205	206	1		2.82			
SMD168	DD	642483	5836138	-60/50	262	180.3	No Significant Results							
SMD169	DD	642532	5836095	-60/50	263	260	35	61	26	0.27				
SMD170	DD	642573	5836258	-60/50	261	118.7	No Significant Results							
SMD171	DD	642580	5836125	-60/50	262	247.6	No Significant Results							
SMD172	DD	642547	5836125	-60/50	260	226.8	24	36	12	0.23				

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 (%)	
SMD173	DD	642313	5836113	-60/50	262	538.6	62	86	24	0.37				
							328	331	3	3.81	0.11	457		
							Incl.	328	329.1	1.1	2.53	0.10	1,225	
								378	421	43	2.60	0.42	10	
							Incl.	396	399	3	10.38	3.00	71	
							and	397	398	1	19.65	8.29	202	
SMD174	DD	642500	5836147	-60/50	262	235.7	27	131	104	0.20				
							Incl.	27	59	32	0.25			
							and	79	105	26	0.24			
SMD175	DD	642594	5836062	-60/50	262	233.7	44	61	17	0.46				
SMD176	DD	642271	5836155	-60/50	262	480.1	45	85	40	0.58				
							340	344	4	1.29	0.12	7.7		
SMD177	DD	642534	5836167	-60/50	262	198.5	No Significant Results							
SMD178	DD	642374	5836143	-60/50	262	334.4	34	41	7		0.30			
							39	67	28	0.74				
SMD179	DD	642330	5836184	-60/50	262	317.6	31	128	99	0.36				
SMD180	DD	642408	5836101	-60/50	262	322.8	30	43.3	13.3 ¹⁵		0.21			
							43.8	60	15.2	0.48				
SMD181	DD	642383	5836050	-60/50	262	533.2	67	77	10	0.56				
							421	425	4	0.87	0.23			
SMD182	DD	642372	5835979	-60/50	262	616.6	58	77	19 ¹⁶	0.49				
								421.1	431.5	10.4	4.34	3.17	11	
							Incl.	426	430.9	4.9	6.74	6.45	19	
							and	430	430.9	0.9	7.17	30.6	52	
								503	517	14	1.24	0.72	8.2	
							Incl.	515	517	2	3.56	3.33	25	
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							

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 (%)	
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			
							22	42	20	1.36	0.85	12		
						Incl.	24	39	15	1.68	1.09	14		
SMS008	Sonic	642055	5836680	-60/59.5	264	64	20	45	25	0.45				
						Incl.	20	23	3	1.13	1.01	16		
							42	45	3				1.46	
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		

Chalcocite Blanket results are shown in blue.

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| <ol style="list-style-type: none"> 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 9. 4.6m core loss included in this interval | <ol style="list-style-type: none"> 10. 0.5m core loss included in this interval 11. 1.3m core loss included in this interval 12. 0.9m core loss included in this interval 13. 0.4m core loss included in this interval 14. 0.4m core loss included in this interval 15. 0.7m core loss included in this interval 16. 1.1m core loss included in this interval |
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JORC Compliance Statement

The information in this report that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Chris Cairns, a Competent Person who is a Fellow of the Australian Institute of Geoscientists (#2862) and a Fellow of the Australasian Institute of Mining and Metallurgy (#990900). Mr Cairns is a full-time employee of the Company. Mr Cairns is Executive Chair and Managing Director of Stavely Minerals Limited and is a shareholder and option holder of the Company. Mr Cairns has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Cairns consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this Annual Report regarding Mineral Resource Estimates is extracted from the report entitled 'Standout Initial Mineral Resource Estimate for the Cayley Lode' created on 14 June 2022 and is available to view on www.asx.com.au; ticker SVY, and, www.stavely.com.au. Mr Cairns was the compiling Competent Person for the 14 July 2022 Mineral Resource report. The Mineral Resource was reviewed for the annual report by Mr Christopher Cairns in September 2022. 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.' 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 or Ore Reserves, 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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- Cayley, R.A and Taylor, D.H., 2001, Ararat: 1:100 000 map area geological report. Geological Survey of Victoria Report 115.
- Crawford, A.J., Cayley, R.A., Taylor, D.H., Morand, V.J., Gray, C.M., Kemp, A.I.S., Wohlt, K.E., Vandenberg, A.H.M., Moore, D.H., Maher, S., Direen, N.G., Edwards, J., Donaghy, A.G., Anderson, J.A., and Black, L.P., 2003, Neoproterozoic and Cambrian continental rifting, continent-arc collision and post-collisional magmatism in Evolution of the Palaeozoic Basement. Geological Society of Australia, Sydney, Australia, pages 73 -93.
- Schofield, A. (ed) 2018, Regional geology and mineral systems of the Stavely Arc, western Victoria. Record 2018/02. Geoscience Australia, Canberra.

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Your Directors present their report for the year ended 30 June 2022.

DIRECTORS

The names and particulars of the Directors of the Company in office during the financial year and up to the date of this report were as follows. Directors were in office for the entire year unless otherwise stated.

Christopher Cairns

B.Sc (Hons)

Executive Chair and Managing Director (Appointed 23 May 2006, appointed Chair 14 September 2018)

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
- 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 Fellow of the Australian Institute of Geoscientists, a Fellow of the Australian Institute of Mining and Metallurgy, a member of the JORC Committee and a member of the Society of Economic Geologists and Chair of the Australian Prospectors and Miners Hall of Fame.

Other directorships of listed companies in the last three years: E79 Gold Mines Limited.

Jennifer Murphy

B.Sc(Hons), M.Sc

Executive Technical Director (Appointed 8 March 2013)

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.

Other directorships of listed companies in the last three years: None.

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Peter Ironside**B.Com, CA***Non Executive Director (Appointed 23 May 2006)*

Mr Peter Ironside has a Bachelor of Commerce Degree and is a Chartered Accountant and business consultant with over 30 years' experience in the exploration and mining industry. Mr Ironside has a significant level of accounting, financial compliance and corporate governance experience including corporate initiatives and capital raisings. Mr Ironside has been a Director and/or Company Secretary of several ASX listed companies including Integra Mining Limited and Extract Resources Limited (before \$2.18Bn takeover) and is currently a non-executive director of E79 Gold Mines Limited.

Mr Ironside is a member of the Company's Audit and Risk Committee.

Other directorships of listed companies in the last three years: E79 Gold Mines Limited.

Amanda Sparks**B.Bus, CA, F.Fin***Non Executive Director (Appointed 14 September 2018) and Company Secretary (Appointed 7 November 2013)*

Ms Amanda Sparks is a Chartered Accountant and a Fellow of the Financial Services Institute of Australasia.

Ms Sparks has over 30 years of resources related financial experience, both with explorers and producers. Amanda brings a range of important skills to the Board with her extensive experience in financial management, corporate governance and compliance for listed companies.

Ms Sparks is a member of the Company's Audit and Risk Committee.

Other directorships of listed companies in the last three years: None.

Robert (Rob) Dennis**B.App.Sc, FAusIMM***Non Executive Director (Appointed 24 May 2021)*

Mr Robert (Rob) Dennis is a mining engineer with over 45 years' experience in the nickel, copper, gold and alumina industries. Rob is a skilled leader and has extensive base metals and precious metals operational, technical and project development experience. Past positions included, CEO and MD of Poseidon Nickel Limited, COO for the Independence Group (IGO) where he was responsible IGO's nickel, copper, zinc and gold operations including overseeing the development and commissioning of IGO's Nova Nickel Project.

Prior to that, he held positions including COO Aditya Birla Minerals Ltd where he managed the expansion and development of the Nifty Copper Project in the North West of Western Australia and the Mt Gordon operation in North Queensland, General Manager Project Development for Lionore Australia, General Manager Operations for Great Central Mines and Chief Mining Engineer for Western Mining Corporation.

Mr Dennis is Chair of the Company's Audit and Risk Committee.

Other directorships of listed companies in the last three years: None.

MEETINGS OF DIRECTORS

During the financial year, 6 meetings of directors were held. The number of meetings attended by each director during the year is as follows:

	Board of Directors		Audit and Risk Committee	
	Meetings Held**	Meetings Attended	Meetings Held**	Meetings Attended
C Cairns	6	6	*	*
J Murphy	6	6	2***	2***
P Ironside	6	6	2	2
A Sparks	6	6	2	2
R Dennis	6	6	2	2

* Not a member of the Audit and Risk Committee

** Number of meetings held where the Director was a member of the Board or Committee.

*** Resigned from the Audit and Risk Committee on 3 March 2022.

In addition to formal Board meetings, four of the Directors work in the same office and hold discussions on a regular basis.

DIRECTORS' INTERESTS IN SHARES AND OPTIONS

The following table sets out each director's relevant interest in shares and options in shares of the Company as at the date of this report.

Name of Director	Number of Shares (direct and indirect)	Number of Unlisted Options at \$1.47, expiry 30/11/2022	Number of Unlisted Options at \$0.66, expiry 30/11/2022	Number of Unlisted Options at \$1.20, expiry 31/10/2023	Number of Unlisted Options at \$0.71, expiry 30/11/2024
C Cairns	8,232,268	750,000	-	1,000,000	1,000,000
J Murphy	5,346,704	550,000	-	850,000	850,000
P Ironside	32,087,982	375,000	-	575,000	575,000
A Sparks	2,371,206	375,000	-	575,000	575,000
R Dennis	644,444	-	250,000	-	300,000

DIVIDENDS

No dividends were paid or declared during the year. The Directors do not recommend payment of a dividend.

ENVIRONMENTAL REGULATIONS

The Group's environmental obligations are regulated by the laws of Australia. The Group has a policy to either meet or where possible, exceed its environmental obligations. No environmental breaches have been notified by any governmental agency as at the date of this report.

The Directors have considered compliance with the National Greenhouse and Energy Reporting Act 2007 which requires entities to report annual greenhouse gas emissions and energy use. The Directors have assessed that there are no current reporting requirements, but may be required to do so in the future.

CORPORATE INFORMATION

Corporate Structure

Stavelly Minerals Limited is a limited liability company that is incorporated and domiciled in Australia. Stavelly Minerals Limited has prepared a consolidated financial report incorporating the entities that it controlled during the financial year as follows:

Stavelly Minerals Limited	-	parent entity
Stavelly Pastoral Pty Ltd*	-	100% owned controlled entity
Energy Metals Australia Pty Ltd**	-	100% owned controlled entity

*(formerly Van Diemens Gold Pty Ltd)

** (formerly Stavelly Tasmania Operations Pty Ltd)

Principal Activity

The Group's principal activity was mineral exploration for the year ended 30 June 2022. There were no significant changes in the nature of the principal activities during the year.

Operations review

Refer to the Operations Review on pages 7 to 54.

Summary of Financial Position, Asset Transactions and Corporate Activities

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

	Year 30 June 2022	Year 30 June 2021
	\$	\$
Cash and cash equivalents held at year end	922,218	13,819,962
Net loss for the year after tax	(13,971,797)	(21,174,282)
Included in loss for the year:		
Exploration costs	(10,493,200)	(19,929,496)
Net fair value loss on financial assets at fair value through profit or loss	(1,117,161)	(125,488)
Equity-based payments	(802,995)	(1,238,784)
Basic loss per share from continuing operations	(5.35) cents	(8.28) cents
Net cash used in operating activities	(11,954,730)	(21,490,322)
Net cash used in investing activities	(846,846)	(171,462)
Net cash (used in)/from financing activities	(96,168)	26,056,814

During the year:

- On 17 March 2022, the Company entered into a property purchase agreement for a 524-acre farm, residence and an additional residential block adjacent to the Thursday's Gossan prospect, part of its 100%-owned Stavely Copper-Gold Project in western Victoria. An initial deposit of \$1,000,000 was paid during the year, with the balance of \$2.4 million paid on settlement which occurred after the reporting period.
- Expenditure on exploration totalled \$10,493,200 (2021: \$19,929,496).
- Net fair value loss on financial assets at fair value through profit or loss was \$1,117,161 (2021: loss of \$125,488). In June 2022, these financial assets were sold for a further loss of \$40,819.
- Share based payments expense for options granted of \$802,995 (2021: \$1,238,784).

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There have been no significant changes in the state of affairs of the Group during the financial year.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

The Group anticipates to continue its exploration activities.

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REMUNERATION REPORT (AUDITED)

The Directors present the 2022 Remuneration Report, outlining key aspects of Stavely's remuneration policy and framework, together with remuneration awarded this year.

The report is structured as follows:

- A. Key management personnel (KMP) covered in this report
- B. Remuneration policy, link to performance and elements of remuneration
- C. Contractual arrangements of KMP remuneration
- D. Remuneration of key management personnel
- E. Equity holdings and movements during the year
- F. Other transactions with key management personnel
- G. Use of remuneration consultants
- H. Voting of shareholders at last year's annual general meeting

A. KEY MANAGEMENT PERSONNEL (KMP) COVERED IN THIS REPORT

For the purposes of this report key management personnel of the Group are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, including any Director (whether Executive or otherwise).

Key Management Personnel during the Year

Non-Executive Directors

Peter Ironside	–	Director (from 23 May 2006)
Amanda Sparks	–	Director (from 14 September 2018)
Robert Dennis	–	Director (from 24 May 2021)

Executive Directors

Christopher Cairns	–	Executive Chair and Managing Director (from 23 May 2006, Chair from 14 September 2018)
Jennifer Murphy	–	Technical Director (from 8 March 2013)

Other

Mark Mantle	-	Chief Operating Officer (from 20 January 2022)
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B. REMUNERATION POLICY, LINK TO PERFORMANCE AND ELEMENTS OF REMUNERATION

Remuneration Governance

The Board is responsible for ensuring that the Company's remuneration structures are aligned with the long-term interests of Stavely and its shareholders.

Once the Board is of a sufficient size and structure, and the Company's operations are of a sufficient magnitude, to assist the Board in fulfilling its duties, the Board will establish a Remuneration Committee. Until that time, the Board has taken a view that the full Board will hold special meetings or sessions as required. The Board are confident that this process is stringent and full details of remuneration policies and payments are provided to shareholders in the annual report and on the web. The Board has adopted the following policies for Directors' and Executives' remuneration.

Remuneration Philosophy

The performance of the Group depends upon the quality of its Directors and Executives. To prosper, the Group must attract, motivate and retain highly skilled Directors and Executives.

To this end, the Group embodies the following principles in its remuneration framework:

- provide competitive rewards to attract high calibre Executives;
- link Executive rewards to shareholder value; and
- in the near future, will establish appropriate, demanding performance hurdles in relation to variable Executive remuneration.

As Stavely is an exploration company, not yet generating income, a greater use of equity-based remuneration is considered appropriate both to preserve capital and to retain and incentivise the Directors.

In accordance with best practice corporate governance, the structure of non-executive director and executive compensation is separate and distinct.

Non-Executive Directors' Remuneration

Objective

The Board seeks to set aggregate remuneration at a level which provides the Group with the ability to attract and retain Directors of the highest calibre, whilst incurring a cost which is acceptable to shareholders.

Structure

Non-executive Directors' fees are paid within an aggregate limit which is approved by the shareholders from time to time. Retirement payments, if any, are agreed to be determined in accordance with the rules set out in the Corporations Act as at the time of the Director's retirement or termination. Non-executive Directors' remuneration may include a portion consisting of options, as considered appropriate by the Board, which are subject to shareholder approval in accordance with ASX listing rules. The option incentive portion is targeted to add to shareholder value by having a strike price considerably greater than the market price at the time of granting.

The amount of aggregate remuneration sought to be approved by shareholders and the manner in which it is apportioned amongst Directors is reviewed annually. The Board considers the amount of Director fees being paid by comparable companies with similar responsibilities and the experience of the Non-executive Directors when undertaking the annual review process. The aggregate remuneration for non-Executive Directors is currently \$250,000 per annum approved by Shareholders with the adoption of the Company's Constitution on 7 November 2013.

Executive Remuneration

Objective

The Group aims to reward Executives with a level and mix of remuneration commensurate with their position and responsibilities within the Group and so as to:

- reward Executives for company, and individual performance;
- ensure continued availability of experienced and effective management; and
- ensure total remuneration is competitive by market standards.

Structure

In determining the level and make-up of Executive remuneration, the Board negotiates a remuneration to reflect the market salary for a position and individual of comparable responsibility and experience. Remuneration is regularly compared with the external market by participation in industry salary surveys and during recruitment activities generally. If required, the Board may engage an external consultant to provide independent advice in the form of a written report detailing market levels of remuneration for comparable Executive roles.

Remuneration consists of a fixed remuneration and short and long-term incentive portions as considered appropriate.

Fixed Remuneration - Objective

The level of fixed remuneration is set so as to provide a base level of remuneration which is both appropriate to the position and is competitive in the market. Fixed remuneration is reviewed annually by the Board and the process consists of a review of Group and individual performance, and relevant comparative remuneration in the market. As noted above, the Board may engage an external consultant to provide independent advice.

Fixed Remuneration - Structure

The fixed remuneration is a base salary or monthly consulting fee.

Variable Pay – Short and Long-Term Incentives - Objective

The objective of short and long-term incentives is to reward Executives in a manner which aligns this element of remuneration with the creation of shareholder wealth. As Stavely is an exploration company, there are usually no performance hurdles attached to equity awards. The Board however may include an incentive portion that

is payable based upon attainment of objectives related to the Executive's job responsibilities. The objectives will vary, but are to be targeted to relate directly to the Group's business and financial performance and thus to shareholder value.

Variable Pay — Short and Long-Term Incentives – Structure

Short and long-term incentives granted to Executives are delivered in the form of options and/or performance rights. The option and performance rights are incentives aimed to motivate Executives to pursue the growth and success of the Group within an appropriate control framework and demonstrate a clear relationship between key Executive performance and remuneration. Director options are granted at the discretion of the Board and approved by shareholders. Performance hurdles may be attached and the Board determines appropriate vesting periods to provide rewards over a period of time to key management personnel.

During the year, no performance related cash payments were made.

Variable Pay — For 2022/2023

The Board, excluding the Executive Directors, has established criteria for Performance Rights for Executive Directors, Christopher Cairns and Jennifer Murphy, and Chief Operating Officer, Mark Mantle, for the 2022/2023 year. The Board considers Performance Rights are an appropriate form of incentive as it provides incentive milestones for the Performance rights to be satisfied. Milestones will be based on criteria relevant to the Executive, which may include share price targets and other Company's internal goals, eg ESG performance and securing government funding. The Performance Rights for the Executive Directors, together with quantum and criteria, will be provided in Stavelly's 2022 Notice of Annual General Meeting and are subject to Shareholder approval. In addition, Options to be granted to Executive Directors for 2022/2023, will require a retention period prior to vesting. These proposed Options will be detailed in Stavelly's 2022 Notice of Annual General Meeting and are subject to Shareholder approval.

C. CONTRACTUAL ARRANGEMENTS OF KMP REMUNERATION

On appointment to the board, all non-executive directors enter into a service agreement with the Company in the form of a letter of appointment. The letter summarises the board policies and terms, including compensation, relevant to the office of director.

Remuneration and other terms of employment for the executive directors and the other key management personnel are also formalised in service agreements. The major provisions of the agreements relating to remuneration are set out below.

Director Name	Term of agreement	Base annual salary exclusive of statutory superannuation at 30/6/2022	Termination benefit
Christopher Cairns	Commenced 22/1/2014 (varied effective 1/11/2017, 1/12/2019 & 1/7/2021)	\$340,000	12 months
Jennifer Murphy	Commenced 22/1/2014 (varied effective 1/11/2017, 15/10/2018, 31/12/2019 & 1/7/2021)	\$260,000	12 months
Peter Ironside	Ongoing, subject to re-elections	\$50,000	None
Amanda Sparks	Ongoing, subject to re-elections	\$100,000	None
Robert Dennis	Ongoing, subject to re-elections	\$50,000	None

Other KMPs	Term of agreement	Base annual salary exclusive of statutory superannuation at 30/6/2022	Termination benefit
Mark Mantle	Commenced 20 January 2022	\$320,000	12 months

D. REMUNERATION OF KEY MANAGEMENT PERSONNEL

Details of the remuneration of each key management personnel of the Group, including their personally-related entities, during the year were as follows:

	Year	Short Term	Long Term	Post Employment	Share Based		Total including share based payments \$
		Cash salary, directors fees, consulting fees, insurances and movement in current leave provisions \$	Movement in non-current leave provisions \$	Superannuation \$	Total Cash and Provisions \$	Options ⁽¹⁾ \$	
Directors							
C Cairns	2022	331,676	-	23,568	355,244	164,700	519,944
	2021	305,938	4,749	21,694	332,381	280,000	612,381
J Murphy	2022	285,875	-	23,568	309,443	139,995	449,438
	2021	219,300	3,482	20,900	243,682	238,000	481,682
P Ironside	2022	50,000	-	5,000	55,000	94,703	149,703
	2021	50,000	-	4,749	54,749	161,000	215,749
A Sparks	2022	100,000	-	10,000	110,000	94,703	204,703
	2021	100,000	-	9,500	109,500	161,000	270,500
R Dennis	2022	50,000	-	5,000	55,000	44,434	99,434
	2021	5,250	-	499	5,749	26,250 ⁽³⁾	32,249
Other KMPs							
Mark Mantle ⁽²⁾	2022	139,897	148	9,820	149,865	-	149,865
	2021	-	-	-	-	-	-
TOTAL	2022	957,448	148	76,956	1,034,552	538,535	1,573,087
	2021	680,488	8,231	57,342	746,061	866,250	1,612,311

⁽¹⁾ Equity based payments – options. These represent the amount expensed for options granted and vested in the year.

⁽²⁾ Appointed as a KMP from 20 January 2022.

⁽³⁾ Options issued after end of financial year after Shareholder approval.

There were no performance related payments made during the year. Performance hurdles were not attached to remuneration options as these options were to provide an incentive component of remuneration to motivate and reward the performance of the recipients and to provide a cost-effective way for the Company to remunerate, which allows the Company to spend a greater proportion of its cash reserves on exploration than it would if alternative cash forms of remuneration were given.

Share-based Compensation

During the year, the following options were granted as equity compensation benefits to Directors and other Key Management Personnel. These options vested at grant date.

2022	Number of Options at \$1.20, expiry 30/11/2024	Number of Options At \$0.66 expiry 30/11/2022	Value* per option at grant date \$
Directors			
C Cairns	1,000,000	-	0.16
J Murphy	850,000	-	0.16
P Ironside	575,000	-	0.16
A Sparks	575,000	-	0.16
R Dennis	300,000	250,000	0.16/0.09
Other KMPs			
M Mantle ⁽¹⁾	-	-	-

⁽¹⁾ No options granted post appointment as Chief Operating Officer.

These options were granted to recognise the contribution made by the Directors, and to acknowledge that the inclusion of options as remuneration is preferable for the Company rather than paying a higher cash base

remuneration, which adds value for Shareholders. By offering these incentives in the form of options, rather than cash, the Company can maximise the availability of cash for the Company's future exploration activities. The issue of these Director options was approved by Shareholders at the Company's Annual General Meeting held on 12 November 2021.

* Value at grant date has been calculated in accordance with AASB 2 Share-based Payment. The options were valued 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 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.

The inputs to the models used were:

Grant date	12/11/2021	12/11/2021
Spot price (\$)	0.48	0.48
Exercise price (\$)	0.66	0.71
Vesting date	immediately	immediately
Expiry date	30/11/2022	30/11/2024
Expected future volatility (%)	70	70
Risk-free rate (%)	0.61	1.02
Early exercise multiple	2.5x	2.5x
Dividend yield (%)	-	-
Value of Each Option (\$)	0.0851	0.1647
Number of Options Granted	250,000	3,300,000
Valuation Method	Trinomial	Trinomial

Shares issued to Key Management Personnel on exercise of compensation options

During the year ended 30 June 2022, no shares were issued to Key Management Personnel on exercise of compensation options.

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E. EQUITY HOLDINGS AND MOVEMENTS DURING THE YEAR

(a) Shareholdings of Key Management Personnel

30 June 2022	Balance at beginning of the year	Increase from Exercise of Options	Other Net change during the year	Balance at end of the year
Directors				
C Cairns	8,032,268	-	-	8,032,268
J Murphy	5,146,705	-	-	5,146,705
P Ironside	31,887,982	-	-	31,887,982
A Sparks	2,171,206	-	-	2,171,206
R Dennis	-	-	444,444	444,444
Other KMPS				
M Mantle	-	-	-	-
	47,238,161	-	444,444	47,682,605

(b) Option holdings of Key Management Personnel

30 June 2022	Balance at beginning of the year	Granted as remuneration	Exercised during the year	Balance at end of the year	Exercisable
Directors					
C Cairns	1,750,000	1,000,000	-	2,750,000	2,750,000
J Murphy	1,400,000	850,000	-	2,250,000	2,250,000
P Ironside	950,000	575,000	-	1,525,000	1,525,000
A Sparks	950,000	575,000	-	1,525,000	1,525,000
R Dennis	-	550,000	-	550,000	550,000
Other KMPS					
M Mantle	-	300,000 ⁽¹⁾	-	300,000	300,000
	5,050,000	3,850,000	-	8,900,000	8,900,000

⁽¹⁾ Options granted prior to appointment as Chief Operating Officer.

F. OTHER TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL

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 the Company occupies in Western Australia. During the year an amount of \$142,213 (net of GST) was paid/payable for office rental and variable outgoings (2021: \$136,588, net of GST).

Mr Peter Ironside, Director, is also a shareholder and non-executive director of E79 Gold Mines Limited ("E79 Gold"). Mr Chris Cairns, Director, is a shareholder and non-executive chair of E79 Gold. E79 Gold sub-leases office space in the premises the Company occupies. During the year an amount of \$27,656 (net of GST) was paid/payable by E79 Gold to the Company for reimbursement of office rental and associated expenses (2021: \$20,136, net of GST). Stavelly Minerals Limited also sold a second-hand motor vehicle to E79 Gold during the year. The agreed price was \$38,173 (excl GST) which was determined after researching prices of similar vehicles with similar mileage.

G. USE OF REMUNERATION CONSULTANTS

No remuneration consultants were engaged by the Company during the year.

H. VOTING OF SHAREHOLDERS AT LAST YEAR'S ANNUAL GENERAL MEETING

The Company received 98.71% of 'yes' votes for its remuneration report for the 2021 financial year and did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

End of Audited Remuneration Report.

INDEMNIFICATION AND INSURANCE OF OFFICERS

The Company has paid a premium to insure the Directors and Officers of the Company and its controlled entities. Details of the premium are subject to a confidentiality clause under the contract of insurance.

The liabilities insured are costs and expenses that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of entities in the Company.

SHARES UNDER OPTION

Unissued ordinary shares of the Company under option at the date of this report are as follows:

	Number	Exercise Price	Expiry Date
Unlisted Options	2,700,000	\$1.47	30/11/2022
Unlisted Options	4,102,500	\$1.20	31/10/2023
Unlisted Options	200,000	\$0.56	30/11/2022
Unlisted Options	250,000	\$0.66	30/11/2022
Unlisted Options	4,737,500	\$0.71	30/11/2024

No option holder has any right under the options to participate in any other share issue of the Company or any other related entity.

No options were exercised during the year (2021: None).

EVENTS OCCURRING AFTER THE REPORTING PERIOD

Placement

26,666,667 shares were issued on 12 July 2022, pursuant to a placement to sophisticated and institutional investors. Gross proceeds were \$4,000,000.

Share Purchase Plan

35,326,537 shares were issued on 5 August 2022, pursuant to a Share Purchase Plan (SPP). Gross proceeds raised under the SPP were \$5,298,980.

Property Purchase and Loan Funds

On 15 August 2022, the Company settled on the property purchase of for a 524-acre farm, residence and an additional residential block adjacent to the Thursday's Gossan prospect, part of its 100%-owned Stavelly Copper-Gold Project in western Victoria.

\$1.6 million of loan funding was used towards the acquisition of the land. The funding was provided by two parties to Stavelly's wholly owned subsidiary, Stavelly Pastoral Pty Ltd, as follows:

Under a loan agreement with Legal Mortgage Holdings Pty Ltd (LMH), LMH advanced \$1 million on the following terms:

- Interest payable at 10% pa, payable quarterly in advance
- Term of 24 months with a minimum term of 12 months
- Secured via a 1st mortgage on the land with a guarantee provided by Stavelly Minerals Limited

Under a loan agreement with Anthony Cairns, Anthony Cairns advanced \$0.6 million on the following terms:

- Interest payable at 10% pa, payable quarterly in advance
- Term of 24 months with a minimum interest term of 12 months

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- Unsecured, with a guarantee provided by Stavely Minerals Limited

There are no other matters or circumstances that have arisen since 30 June 2022 that have or may significantly affect the operations, results, or state of affairs of the Group in future financial years.

CORPORATE GOVERNANCE

In recognising the need for the highest standards of corporate behaviour and accountability, the Directors of Stavely Minerals Limited support and adhere to the principles of corporate governance. Please refer to the Company's website for details of corporate governance policies: <https://www.stavely.com.au/corporate-governance>.

AUDIT INDEPENDENCE AND NON-AUDIT SERVICES

Auditor's independence - section 307C

The Auditor's Independence Declaration is included on page 67 of this report.

Non-Audit Services

The following non-audit services were provided by the entity's auditor, BDO. The Directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act. The nature and scope of each type of non-audit service provided means that auditor independence was not compromised. BDO received, or are due to receive, the following amounts for the provision of non-audit services:

	2022	2021
Taxation services	\$18,410	\$19,330

This report is made in accordance with a resolution of directors, pursuant to section 298(2)a of the Corporations Act 2001. Signed in accordance with a resolution of the Directors.



Christopher Cairns
 Executive Chair and Managing Director

Dated this 27th day of September 2022

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

As lead auditor of Stavely Minerals Limited for the year ended 30 June 2022, 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 audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

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



Jarrad Prue
Director

BDO Audit (WA) Pty Ltd
Perth
27 September 2022

BDO Audit (WA) Pty Ltd ABN 79 112 284 787 is a member of a national association of independent entities which are all members of BDO Australia Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO Audit (WA) Pty Ltd and BDO Australia Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation

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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 30 June 2022 and of its performance for the year then ended; and
 - ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations), the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - iii) complying with International Financial Reporting Standards (IFRS) as stated in note 1 of the financial statements; 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 financial year ended 30 June 2022.

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



Christopher Cairns
Executive Chair and Managing Director

Dated this 27th day of September 2022

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	Note	Consolidated	
		Year ended 30 June 2022	Year ended 30 June 2021
		\$	\$
Revenue and Income			
Interest revenue		20,895	90,370
Rental sub-lease revenue		42,190	40,889
Profit on sale of fixed assets		38,173	12,000
Government subsidies		-	50,000
		<u>101,258</u>	<u>193,259</u>
Expenses			
Administration and corporate expenses	2(a)	(1,610,408)	(1,745,610)
Administration – equity based expenses	3	(802,995)	(1,238,784)
Exploration expenses	2(b)	(10,493,200)	(19,929,496)
Interest expense	2(c)	(8,472)	(13,645)
Total expenses		<u>(12,915,075)</u>	<u>(22,927,535)</u>
Other gains/(losses)			
Net fair value losses on financial assets at fair value through profit or loss	4	(1,117,161)	(125,488)
Loss on disposal of financial assets	4	(40,819)	-
Gain on disposal of subsidiaries	5	-	1,685,482
Total other gains		<u>(1,157,980)</u>	<u>1,559,994</u>
		<u>(13,971,797)</u>	<u>(21,174,282)</u>
Loss before income tax			
Income tax expense	6	-	-
Loss after income tax attributable to members of Stavely Minerals Limited		<u>(13,971,797)</u>	<u>(21,174,282)</u>
Other comprehensive income/(loss)			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Other		-	-
Other comprehensive income/(loss) for the year, net of tax		-	-
Total comprehensive loss for the year		<u>(13,971,797)</u>	<u>(21,174,282)</u>
Loss per share for the year attributable to the members of Stavely Minerals Limited			
Basic loss per share	7	<u>(5.35)</u>	<u>(8.28)</u>

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	
		30 June 2022	30 June 2021
		\$	\$
ASSETS			
Current Assets			
Cash and cash equivalents	8	922,218	13,819,962
Other receivables	9	411,244	624,804
Financial assets as fair value through profit or loss	4	-	1,485,853
Total Current Assets		1,333,462	15,930,619
Non-Current Assets			
Other receivables	9	1,095,013	75,013
Right of use assets	10	70,252	139,644
Property, plant and equipment	11	157,070	157,564
Deferred exploration expenditure acquisition costs	12	3,672,126	3,672,126
Total Non-Current Assets		4,994,461	4,044,347
Total Assets		6,327,923	19,974,966
LIABILITIES			
Current Liabilities			
Trade and other payables	13	849,613	1,352,194
Lease liabilities – right of use assets	10	94,291	86,333
Provisions	14	289,842	161,947
Total Current Liabilities		1,233,746	1,600,474
Non-Current Liabilities			
Lease liabilities –right of use assets	10	-	93,696
Provisions	14	45,180	62,267
Total Non-Current Liabilities		45,180	155,963
Total Liabilities		1,278,926	1,756,437
Net Assets		5,048,997	18,218,529
Equity			
Issued capital	15	76,523,067	76,523,797
Reserves	16	7,848,968	7,045,973
Accumulated losses		(79,323,038)	(65,351,241)
Total Equity		5,048,997	18,218,529

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

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	Issued Capital \$	Reserves \$	Accumulated Losses \$	Total Equity \$
At 1 July 2020	50,033,910	6,147,189	(44,176,959)	12,004,140
Loss for the year	-	-	(21,174,282)	(21,174,282)
Other comprehensive income/(loss)	-	-	-	-
Total comprehensive loss for the year, net of tax	-	-	(21,174,282)	(21,174,282)
Transactions with owners in their capacity as owners:				
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	-	1,238,784	-	1,238,784
Share based payments	340,000	(340,000)	-	-
	26,489,887	898,784	-	27,388,671
As at 30 June 2021	76,523,797	7,045,973	(65,351,241)	18,218,529
At 1 July 2021	76,523,797	7,045,973	(65,351,241)	18,218,529
Loss for the year	-	-	(13,971,797)	(13,971,797)
Other comprehensive income/(loss)	-	-	-	-
Total comprehensive loss for the year, net of tax	-	-	(13,971,797)	(13,971,797)
Transactions with owners in their capacity as owners:				
Issue of share capital	-	-	-	-
Cost of issue of share capital	(730)	-	-	(730)
Share based payments	-	802,995	-	802,995
	(730)	802,995	-	802,265
As at 30 June 2022	76,523,067	7,848,968	(79,323,038)	5,048,997

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

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	Note	Consolidated	
		Year ended 30 June 2022	Year ended 30 June 2021
		\$	\$
Cash flows from operating activities			
Receipts in the ordinary course of activities (incl. GST)		1,259,012	2,017,122
Payments to suppliers and employees		(13,236,566)	(23,614,812)
Interest received		22,824	107,368
Net cash flows used in operating activities	8(i)	(11,954,730)	(21,490,322)
Cash flows from investing activities			
Payments for plant and equipment		(75,392)	(175,941)
Proceeds from disposal of plant and equipment		38,173	12,000
Payment for exploration acquisitions (capitalised)		(17,500)	(587,021)
Other – sale of subsidiaries		-	510,000
Other – sale of investments	4	327,873	-
Other – deposits paid	9	(1,000,000)	-
Payment for bonds		(120,000)	(2,000)
Bonds repaid		-	71,500
Net cash flows used in investing activities		(846,846)	(171,462)
Cash flows from financing activities			
Proceeds from issue of shares		-	27,787,000
Payment of share issue costs		(730)	(1,637,113)
Payment of lease liabilities (right of use assets)		(95,438)	(93,073)
Net cash flows (used in)/from financing activities		(96,168)	26,056,814
Net (decrease)/increase in cash and cash equivalents held		(12,897,744)	4,395,030
Add opening cash and cash equivalents brought forward		13,819,962	9,424,932
Closing cash and cash equivalents carried forward	8	922,218	13,819,962

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

These financial statements are general purpose financial statements, which have been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. The financial report has also been prepared on a historical cost basis.

The financial report is presented in Australian dollars, which is the Group’s functional and presentation currency. Stavelly Minerals Limited is a for-profit entity for the purpose of preparing the financial statements.

For the year ended 30 June 2022, the Group made a loss of \$13,971,797 and had cash outflows from operating activities of \$11,954,730. The Board believe that the measures it has taken enable the Company to prepare the financial report on a going concern basis. Subsequent to 30 June 2022, the Company successfully completed a placement and share purchase plan with gross proceeds of \$9,298,980. Refer to Note 23 for further details. The Group has sufficient funding to fund operations over the next 12 months.

The annual report of Stavelly Minerals Limited for the year ended 30 June 2022 was authorised for issue in accordance with a resolution of the Directors on 27 September 2022.

(b) Statement of Compliance

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

(c) Adoption of New and Revised Standards and Change in Accounting Standards

New or amended Accounting Standards and Interpretations adopted

The Group 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.

New Accounting Standards and Interpretations not yet mandatory or early adopted

The following new/amended accounting standards and interpretations have been issued but are not mandatory for financial years ended 30 June 2022. In all cases the Group intends to apply these standards from application date as indicated in the table below.

Standards likely to have a financial impact:

AASB 2021-2 (issued March 2021) 'Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates'. Application Date: Annual reporting period beginning on 1 July 2023.

Nature of Change	Impact on Initial Application
<p>Introduces a definition of 'accounting estimate', i.e. monetary amounts in financial statements that are subject to estimation uncertainty, such as estimating expected credit losses for receivables, or estimating the fair value of an item recognised in the financial statements at fair value.</p> <p>Accounting estimates are developed using measurement techniques and inputs. Measurement techniques comprise estimation techniques (such as used to determine expected credit losses or value in use) and valuation techniques (such as the income approach to determine fair value).</p> <p>The amendments clarify that a change in an estimate occurs when there is either a change in a measurement technique or a change in an input.</p>	<p>There will be no impact on the financial statements when these amendments are first adopted because they apply prospectively to changes in accounting estimates that occur on or after the beginning of the first annual reporting period to which these amendments apply, i.e. annual period beginning on 1 July 2023.</p>

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Standards likely to have a disclosure impact only:

AASB 2021-2 (issued March 2021) 'Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates'. Application Date: Annual reporting period beginning 1 July 2023.

Nature of Change	Impact on Initial Application
<p>Only 'material' accounting policy information must be disclosed in the financial statements, i.e. if it relates to material transactions, other events or conditions and:</p> <ul style="list-style-type: none"> • The entity has changed its accounting policy during the period • There are one or more accounting policy options in Accounting Standards • The accounting policy was developed applying the hierarchy in AASB 108 because there is no specific IFRS dealing with the transaction • Significant judgement was required in applying the accounting policy • The accounting is complex, e.g. more than one IFRS applies to the transaction. 	<p>Disclosure impact only.</p>

(d) Significant Accounting Estimates and Judgments

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances.

The key judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities are as follows:

Share-based payment transactions

The Group measures the cost of equity-settled transactions by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using Hoadley Trading & Investment Tools ES02 trinomial option valuation model or a Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity. Refer to note 3 for further information.

Commitments - Exploration

The Group has certain minimum exploration commitments to maintain its right of tenure to exploration permits. These commitments require estimates of the cost to perform exploration work required under these permits.

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Fair Value Measurement

The Group 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.

Deferred Exploration Expenditure Acquisition Costs

The Group capitalises acquisition expenditure relating to exploration and evaluation where it is considered likely to be recoverable or where the activities have not reached a stage which permits a reasonable assessment of the existence of reserves. While there are certain areas of interest from which no reserves have been extracted, the Directors are of the continued belief that such expenditure should not be written off since exploration activities in such areas have not yet concluded.

(e) Basis of Consolidation and Business Combinations

The consolidated financial statements comprise the financial statements of Stavely Minerals limited (“Company” or “Parent Entity”) and its subsidiaries as at 30 June each year (the Group). Subsidiaries are all entities over which the group has control. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee),
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

The financial statements of the subsidiaries are prepared for the same period as the parent entity, using consistent accounting policies.

In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profit or losses resulting from intra-group transactions have been eliminated in full.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group. Control exists where the company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The acquisition of subsidiaries has been accounted for using the purchase method of accounting. The purchase method of accounting involves allocating the cost of the business combination to the fair value of the assets acquired and the liabilities and contingent liabilities assumed at the date of acquisition. Accordingly, the consolidated financial statements include the results of subsidiaries for the period from their acquisition.

The purchase method of accounting is used to account for all business combinations regardless of whether equity instruments or other assets are acquired. Cost is measured as the fair value of the assets given, shares issued or liabilities incurred or assumed at the date of exchange plus costs directly attributable to the combination. Where equity instruments are issued in a business combination, the fair value of the instruments is their published market price as at the date of exchange, adjusted for any conditions imposed on those shares. Transaction costs arising on the issue of equity instruments are recognised directly in equity.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

All identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The excess of the cost of the business combination over the net fair value of the Group's share of the identifiable net assets acquired is recognised as goodwill. If the cost of acquisition is less than the Group's share of the net fair value of the identifiable net assets of the subsidiary, the difference is recognised as a gain in the statement of profit or loss and other comprehensive income, but only after a reassessment of the identification and measurement of the net assets acquired.

	Year ended 30 June 2022	Year ended 30 June 2021
	\$	\$
NOTE 2 - EXPENSES		
(a) Administration and Corporate Expenses		
Administration and corporate expenses include:		
Depreciation - administration	40,394	55,201
Depreciation – right of use assets	70,620	70,984
Office premises expenses	48,710	46,446
Personnel costs – administration and corporate	811,570	972,484
Other administration and corporate expenses	639,114	600,495
	<u>1,610,408</u>	<u>1,745,610</u>
Equity based payments expense – refer note 3	802,995	1,238,784
	<u>2,413,403</u>	<u>2,984,394</u>
(b) Exploration Costs Expensed		
Exploration costs expensed include:		
Depreciation - exploration	35,492	135,538
Other exploration costs expensed	10,457,708	19,793,958
	<u>10,493,200</u>	<u>19,929,496</u>
(c) Interest Expensed		
Interest on right of use assets	8,472	13,645

NOTE 3 – EQUITY-BASED PAYMENTS (Recognised as Remuneration Expenses)

Equity settled transactions:

The Group provides benefits to executive directors, employees and consultants of the Group in the form of share based payments, whereby those individuals render services in exchange for shares or rights over shares (equity-settled transactions).

When provided, the cost of these equity-settled transactions with these individuals is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value of options is determined using a Hoadley Trading & Investment Tools ES02 trinomial option valuation model or a Black-Scholes model.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of Stavely Minerals Limited (market conditions) if applicable.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant individuals become fully entitled to the award (the vesting date).

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NOTE 3 – EQUITY-BASED PAYMENTS (Recognised as Remuneration Expenses) – continued

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects:

- (i) the grant date fair value of the award;
- (ii) the extent to which the vesting period has expired; and
- (iii) the number of awards that, in the opinion of the Directors of the Company, will ultimately vest taking into account such factors as the likelihood of non-market performance conditions being met.

This opinion is formed based on the best available information at reporting date.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. If an equity-settled award is forfeited, any expense previously recognised for the award is reversed. However, if a new award is substituted for a cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

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

	30 June 2022	30 June 2021
	\$	\$
Expensed in the profit or loss:		
Equity-based payments- options	802,995	1,212,534
Equity-based payments- options not yet issued (note 3(c))	-	26,250
	<u>802,995</u>	<u>1,238,784</u>

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

Granted to key management personnel and employees as equity compensation:

During the year, the following unlisted options were granted:

- 200,000 unlisted options granted on 30 August 2021 to an employee pursuant to the Company's Employee Incentive Plan.
- 3,550,000 unlisted options as approved by shareholders at the 2021 Annual General Meeting held on 12 November 2021, granted to directors or their nominees. These unlisted options were allotted on 15 November 2021.
- 1,437,500 unlisted options granted and allotted on 15 November 2021 to employees/consultants pursuant to the Company's Employee Incentive Plan.

(c) Summary of equity-based payments not yet issued during the year:

In May 2021, as part of the appointment of Robert Dennis as a Director, the Board offered Mr Dennis 250,000 unlisted options which were to be granted upon Shareholder approval. For accounting purposes, in 2021, an estimated value of \$26,250 was expensed for these options (based on the Black-Scholes option pricing model). Shareholder approval was received on 12 November 2021 and the value of these options was recalculated in the current period.

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NOTE 3 – EQUITY-BASED PAYMENTS (Recognised as Remuneration Expenses) – continued

Grant date	30/08/2021	12/11/2021	12/11/2021	15/11/2021
Spot price (\$)	0.43	0.48	0.48	0.495
Exercise price (\$)	0.56	0.66	0.71	0.71
Vesting date	immediately	immediately	immediately	Immediately
Expiry date	30/11/2022	30/11/2022	30/11/2024	30/11/2024
Expected future volatility (%)	63	70	70	70
Risk-free rate (%)	0.0	0.61	1.02	0.97
Early exercise multiple	N/A	2.5x	2.5x	2.5x
Dividend yield (%)	-	-	-	-
Value of Each Option (\$)	0.0802	0.0851	0.1647	0.1728
Number of Options Granted	200,000	250,000	3,300,000	1,437,500
Valuation Method	Black-Scholes	Trinomial	Trinomial	Trinomial

Black-Scholes option pricing model

The assessed fair values of the options issued on 30 August 2021 were determined using a Black-Scholes option pricing model, taking into account the exercise price, term of option, the share price at grant date and expected price volatility of the underlying share, expected dividend yield and the risk-free interest rate for the term of the option. The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. No other features of options granted were incorporated into the measurement of fair value.

Hoadley Trading & Investment Tools ES02 trinomial option valuation model

The assessed fair values of the options granted on 12 and 15 November 2021 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 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.

(d) Weighted average fair value

The weighted average fair value of equity-based payment options granted during the year was \$0.1599 (2021: \$0.2956).

(e) Range of exercise price

The range of exercise price for options granted as share based payments outstanding at the end of the year was \$0.56 to \$1.47 (2021: 1.20 to \$1.47).

(f) Weighted average remaining contractual life

The weighted average remaining contractual life of share based payment options that were outstanding as at the end of the year was 1.56 years (2021: 1.97 years).

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NOTE 3 – EQUITY-BASED PAYMENTS (Recognised as Remuneration Expenses) – continued

(g) Weighted average exercise price

The following table shows the number and weighted average exercise price (“WAEP”) of share options granted as share based payments.

	12 Months to 30 June 2022 Number	12 Months to 30 June 2022 WAEP \$	12 Months to 30 June 2021 Number	12 Months to 30 June 2021 WAEP \$
Outstanding at the beginning of year	6,802,500	1.31	2,700,000	1.47
Granted during the year	5,187,500	0.70	4,102,500	1.20
Exercised during the year	-	-	-	-
Lapsed during the year	-	-	-	-
Outstanding at the end of the year	<u>11,990,000</u>	<u>1.05</u>	<u>6,802,500</u>	<u>1.31</u>
Exercisable at year end	11,990,000	1.05	6,802,500	1.31

The weighted average share price for options exercised during the year was \$nil (2021: \$nil).

NOTE 4 - 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.

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.

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NOTE 4 - FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS - continued

	30 June 2022	30 June 2021
	\$	\$
<i>Financial Assets</i>		
Investments in equity instruments	-	1,485,853
Initial recognition of financial assets at fair value (refer note 5)	1,611,341	1,611,341
Net fair value (losses) at the beginning of the period	(125,488)	-
Net fair value loss on financial assets at fair value through profit or loss for the year	(1,117,161)	(125,488)
	<u>368,692</u>	<u>1,485,853</u>
Proceeds received from the sale of financial assets	327,873	-
Less: carrying amount of net financial assets	(368,692)	-
Loss on sale of financial assets	<u>(40,819)</u>	<u>-</u>

NOTE 5 - SALE OF SUBSIDIARIES

	30 June 2022	30 June 2021
	\$	\$
Net gain on sale of subsidiary, Stavely Tasmania Pty Ltd (a)	-	1,298,159
Net gain on sale of subsidiary, Ukalunda Pty Ltd (b)	-	387,323
	<u>-</u>	<u>1,685,482</u>

- (a) 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 was realised in the profit or loss for the year ended 30 June 2021.

	30 June 2021
	\$
Consideration received – cash	100,000
Consideration received – shares in Nubian (refer to note 4)	1,611,341
Total consideration received	<u>1,711,341</u>
Less: carrying amount of net assets of subsidiary sold held by the group	(413,182)
Total gain from disposal of subsidiary	<u>1,298,159</u>

NOTE 5 - SALE OF SUBSIDIARIES - continued

- (b) On 31 March 2021, the Company completed the sale of its subsidiary, Ukalunda Pty Ltd. The Company received a cash payment of \$410,000, comprising a \$10,000 option fee and \$400,000 for the subsidiary).

The gain of \$387,323 on sale of the subsidiary was realised in the profit or loss for the year ended 30 June 2021.

	30 June 2021
	\$
Consideration received – cash	410,000
Less: carrying amount of net assets of subsidiary sold held by the group	(22,677)
Total gain from disposal of subsidiary	<u>387,323</u>

NOTE 6 - INCOME TAX EXPENSE

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 by the reporting date.

Deferred income tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- when the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint operations, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

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 credits and unused tax losses can be utilised, except:

- when the deferred income tax asset relating to the deductible temporary difference 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; or
- when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint operations, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference 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.

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.

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NOTE 6 - INCOME TAX EXPENSE - continued

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.

Income taxes relating to items recognised directly in equity are recognised in equity and not in 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.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income legislation and the anticipation that the Group will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

	Year ended 30 June 2022	Year ended 30 June 2021
	\$	\$
(a) Income Tax Expense		
The reconciliation between tax expense and the product of accounting loss before income tax multiplied by the Group's applicable income tax rate is as follows:		
Loss for year	(13,971,797)	(21,174,282)
Prima facie income tax (benefit) @ 30% (2021: 30%)	(4,191,539)	(6,352,285)
Tax effect of non-deductible items	591,089	544,440
Net deferred tax assets not brought to account	3,600,450	5,807,845
Income tax attributable to operating loss	-	-
(b) Net deferred tax assets not recognised relate to the following:		
DTA - Tax losses	16,652,696	14,298,059
DTA/(DTL) - Other Timing Differences, net	604,733	(647,833)
	<u>17,257,429</u>	<u>13,650,226</u>

These deferred tax assets have not been brought to account as it is not probable that tax profits will be available against which deductible temporary differences can be utilised. Losses may be carried forward and utilised against future taxable income provided the relevant loss recoupment tests are met.

Tax Consolidation

The Company and its 100% owned subsidiaries have formed a tax consolidated group. Under the tax consolidation regime, all members of a tax consolidated group are jointly and severally liable for the tax consolidated group's income tax liabilities. The head entity of the tax consolidated group is Stavelly Minerals Limited.

(c) Franking Credits

The franking account balance at year end was \$nil (2021: \$nil).

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NOTE 7 - EARNINGS PER SHARE

Basic earnings per share is calculated as net profit attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends), divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share is calculated as net profit attributable to members of the parent, adjusted for:

- costs of servicing equity (other than dividends);
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares; divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

	Year ended 30 June 2022	Year ended 30 June 2021
	Cents	Cents
Basic loss per share	(5.35)	(8.28)
	\$	\$
Loss attributable to ordinary equity holders of the Company used in calculating:		
- basic loss per share	(13,971,797)	(21,174,282)
	Number of shares	Number of shares
Weighted average number of ordinary shares outstanding during the year used in the calculation of basic earnings per share	260,961,452	255,612,101

For the year ended 30 June 2022, diluted earnings per share was 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.

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NOTE 8 - CASH AND CASH EQUIVALENTS

Cash comprises cash at bank and in hand. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as described above.

	Year ended 30 June 2022	Year ended 30 June 2021
	\$	\$
Cash at bank and on hand	922,218	13,819,962
(i) Reconciliation of loss for the period to net cash flows used in operating activities		
Loss after income tax	(13,971,797)	(21,174,282)
Adjustments to reconcile profit before tax to net operating cash flows:		
Depreciation	75,886	190,739
Depreciation – Right of Use Assets	70,620	70,984
Gain on disposal of property, plant and equipment	(38,173)	(136)
Gain on disposal of subsidiaries	-	(1,275,482)
Net fair value loss on financial assets	1,117,161	125,488
Loss on disposal of investments	40,819	-
Share based payments expensed - options	802,995	1,238,784
Change in assets and liabilities:		
(Increase)/decrease in receivables	313,560	(160,290)
Increase/(decrease) in payables	(485,081)	(569,916)
Increase/(decrease) in provisions	119,280	63,789
Net cash flows used in operating activities	<u>(11,954,730)</u>	<u>(21,490,322)</u>

(ii) Non-Cash Financing and Investing Activities

During the year there were no non-cash financing and investing activities undertaken.

During the previous year, 2021, the following non-cash financing and investing activities were undertaken:

- 850,000 shares (\$340,000) were issued as part-consideration for the purchase of the Stavelly Royalty from New Challenge Resources Pty Ltd.
- 4,195,708 shares in a Canadian listed company were received as part consideration for the sale of a subsidiary (valued at \$1,611,341). Refer to note 5.

NOTE 9 – OTHER RECEIVABLES

Receivables are initially recognised at fair value and subsequently measured at amortised cost, less provision for doubtful debts. Current receivables for GST are due for settlement within 30 days and other current receivables within 12 months. Cash on deposit is not due for settlement until rights of tenure are forfeited or performance obligations are met.

Revenues, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables, which are stated with the amount of GST included.

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NOTE 9 – OTHER RECEIVABLES - continued

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 Cash Flow Statement on a gross basis and the GST component of cash flows arising from investing and financing activities, which is 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.

	30 June 2022	30 June 2021
	\$	\$
Current		
GST refundable	111,548	504,495
Bonds – credit card	40,000	40,000
Bond – other short term	100,000	-
Prepayments	157,051	75,916
Other	2,645	4,393
Total current receivables	411,244	624,804
Non-Current		
Cash on deposit - security bonds	95,013	75,013
Deposits paid for Property Purchase - refer to note 17(d)	1,000,000	-
Total non-current receivables	1,095,013	75,013

Fair Value and Risk Exposures – all above excluding the Deposit for Beaconsfield Assets:

- (i) Due to the short term nature of these receivables, their carrying value is assumed to approximate their fair value.
- (ii) The maximum exposure to credit risk is the fair value of receivables. Collateral is not held as security.
- (iii) Details regarding interest rate risk exposure are disclosed in note 21.
- (iv) Other current receivables generally have repayments between 30 and 90 days.

Receivables do not contain past due or impaired assets as at 30 June 2022 (2021: none).

NOTE 10 – RIGHT OF USE ASSETS AND LIABILITIES

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, adjusted for any remeasurement of lease liabilities. The cost of right-to-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less and lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

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NOTE 10 – RIGHT OF USE ASSETS AND LIABILITIES - continued

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases (ie: those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

	30 June 2022	30 June 2021
	\$	\$
Non-Current Assets		
Right of use assets - properties	70,252	139,644
Lease Liabilities		
Current	94,291	86,333
Non-Current	-	93,696
	<u>94,291</u>	<u>180,029</u>

NOTE 11 - PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is calculated on a straight-line basis over the estimated useful life of the assets as follows:

Plant and equipment	- 0 to 4 years
Motor vehicles	- 3 to 7 years

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

Disposal

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

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NOTE 11 - PROPERTY, PLANT AND EQUIPMENT - continued

	30 June 2022	30 June 2021
	\$	\$
Motor vehicles- at cost	193,245	178,812
Less: Accumulated depreciation	(113,120)	(126,254)
	<u>80,125</u>	<u>52,558</u>
Plant and equipment - at cost	642,171	619,498
Less: Accumulated depreciation	(565,226)	(514,492)
	<u>76,945</u>	<u>105,006</u>
Total property, plant and equipment	<u><u>157,070</u></u>	<u><u>157,564</u></u>
<i>Reconciliation of property, plant and equipment:</i>		
Motor Vehicles		
Carrying amount at beginning of year	52,558	12,443
Additions	52,719	52,924
Depreciation	(25,152)	(12,809)
Carrying amount at end of year	<u>80,125</u>	<u>52,558</u>
Plant and Equipment		
Carrying amount at beginning of year	105,006	171,783
Additions	22,673	123,017
Disposals	-	(11,864)
Depreciation	(50,734)	(177,930)
Carrying amount at end of year	<u>76,945</u>	<u>105,006</u>

The Company sold a second-hand motor vehicle to E79 Gold Mines Limited during the year. The agreed price was \$38,173 (excl GST) which was determined after researching prices of similar vehicles with similar mileage. At the time of the sale the asset was fully depreciated.

NOTE 12 - DEFERRED EXPLORATION EXPENDITURE ACQUISITION COSTS

Exploration expenditure is expensed to the statement of profit or loss and other comprehensive income as and when it is incurred and included as part of cash flows from operating activities. Exploration costs are only capitalised to the statement of financial position if they result from an acquisition. Costs carried forward in respect of an area of interest which is abandoned are written off in the year in which the abandonment decision is made.

	30 June 2022	30 June 2021
	\$	\$
Deferred exploration acquisition costs brought forward	3,672,126	4,099,719
Capitalised acquisition expenditure additions	-	9,520
Disposals upon sale of subsidiaries	-	(437,113)
Deferred exploration acquisition costs carried forward	<u>3,672,126</u>	<u>3,672,126</u>

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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NOTE 13 - TRADE AND OTHER PAYABLES

Trade payables and other payables are carried at amortised costs and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services.

	30 June 2022	30 June 2021
	\$	\$
Trade creditors	485,589	1,117,694
Accruals and other payables	364,024	234,500
	<u>849,613</u>	<u>1,352,194</u>

Fair Value and Risk Exposures

- (i) Due to the short term nature of these payables, their carrying value is assumed to approximate their fair value.
- (ii) Trade and other payables are unsecured and usually paid within 60 days of recognition.

NOTE 14 – PROVISIONS

Provisions are recognised when the Group 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.

- (i) *Wages, salaries and, annual leave*

Liabilities for wages and salaries, including non-monetary benefits and annual leave and expected to be settled wholly within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled.

- (ii) *Other long-term employee benefit obligations*

The liability for long service leave and annual leave not expected to be settled wholly within 12 months of the reporting date are recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures, and period of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows. The obligations are presented as current liabilities if the Group does not have an unconditional right to defer settlement for at least 12 months of the reporting date, regardless of when actual settlement is expected to occur.

	30 June 2022	30 June 2021
	\$	\$
Current		
Employee entitlements	<u>289,842</u>	<u>161,947</u>
Non-Current		
Employee entitlements	<u>45,180</u>	<u>62,267</u>

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NOTE 15 – ISSUED CAPITAL

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

	30 June 2022 \$	30 June 2021 \$
(a) Issued Capital		
260,961,452 (2021: 260,961,452) ordinary shares fully paid	<u>76,523,067</u>	<u>76,523,797</u>
(b) Movements in Ordinary Share Capital		
213,799,785 Opening balance at 1 July 2020		50,033,910
850,000 Issue of shares – New Challenge Royalty 9 July 2020		340,000
28,000,000 Issue of shares – Placement 30 July 2020		16,800,000
4,645,000 Issue of shares – Share Purchase Plan 14 August 2020		2,787,000
13,666,667 Issue of shares – Placement 7 September 2020		8,200,000
		<u>(1,637,113)</u>
<u>260,961,452</u> Closing Balance at 30 June 2021		<u>76,523,797</u>
260,961,452 Opening balance at 1 July 2021		76,523,797
		<u>(730)</u>
<u>260,961,452</u> Closing Balance at 30 June 2022		<u>76,523,067</u>

(c) Options on issue at 30 June 2022

	Number	Exercise Price	Expiry Date
Unlisted Options	2,700,000	\$1.47	30/11/2022
Unlisted Options	200,000	\$0.56	30/11/2022
Unlisted Options	250,000	\$0.66	30/11/2022
Unlisted Options	4,102,500	\$1.20	31/10/2023
Unlisted Options	4,737,500	\$0.71	30/11/2024
	<u>11,990,000</u>		

During the year:

- (i) 5,187,500 unlisted options were granted as share-based payments (2021: 4,102,500);
- (ii) No unlisted options expired (2021: nil); and
- (iii) No unlisted options were exercised (2021: nil).

(d) Terms and conditions of issued capital

Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings. In the event of winding up of the Company, ordinary shareholders rank after all other shareholders and creditors are fully entitled to any proceeds of liquidations.

(e) Capital management

When managing capital, management's objective is to ensure the entity continues as a going concern as well as maintains optimal returns to shareholders and benefits for other stakeholders. Management also aims to maintain a capital structure that ensures the lowest cost of capital available to the entity.

Management may in the future adjust the capital structure to take advantage of favourable costs of capital and issue further shares in the market. Management has no current plans to adjust the capital structure. There are no plans to distribute dividends in the next year.

NOTE 16 - RESERVES

Share-based payment transactions

The Group measures the cost of equity-settled transactions by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using a Black-Scholes option pricing model.

	30 June 2022	30 June 2021
	\$	\$
<i>Equity-based payments reserve:</i>		
Balance at the beginning of the year	7,045,973	5,807,189
Equity-based payments expense – refer note 3	802,995	1,238,784
Balance at the end of the year	<u>7,848,968</u>	<u>7,045,973</u>
<i>Other reserve:</i>		
Balance at the beginning of the year	-	340,000
Shares to be issued / (Shares issued) – refer note 15(b)	-	(340,000)
Balance at the end of the year	<u>-</u>	<u>-</u>
Total Reserves	<u>7,848,968</u>	<u>7,045,973</u>

Nature and purpose of the reserves:

The Equity-based payments reserve is used to recognise the fair value of options granted.

NOTE 17 – COMMITMENTS AND CONTINGENCIES

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

	30 June 2022	30 June 2021
	\$	\$
(a) Operating leases (non-cancellable):		
Within one year	2,544	37,048
More than one year but not later than five years	8,256	-
	<u>10,800</u>	<u>37,048</u>

These non-cancellable operating leases are primarily for residential premises at site and a ground lease.

(b) Exploration Commitments

The Group has certain minimum exploration commitments to maintain its right of tenure to exploration permits. These commitments require estimates of the cost to perform exploration work required under these permits.

	30 June 2022	30 June 2021
	\$	\$
Tenement Expenditure Commitments:		
The Group is required to maintain current rights of tenure to tenements, which require outlays of expenditure in 2022/2023. Under certain circumstances these commitments are subject to the possibility of adjustment to the amount and/or timing of such obligations, however, they are expected to be fulfilled in the normal course of operations.	<u>1,680,305</u>	<u>843,000</u>

NOTE 17 – COMMITMENTS AND CONTINGENCIES – continued

(c) Black Range Joint Venture

The Company has earned a 80% Participating Interest in exploration licence 5425 pursuant to the Stavely Farm-in and Joint Venture Agreement with Black Range Metals Pty Ltd. Black Range Metals Pty Ltd elected not to contribute and hence will be diluted as per the Joint Venture Agreement.

(d) Purchase of Land

In March 2022, Stavely entered into a property purchase agreement for a 524-acre farm, residence and an additional block adjacent to the Thursday's Gossan Project.

The terms of the agreement included the payment of a \$1 million deposit, which was paid during the year (refer to note 9). The balance of \$2.4 million was paid on settlement on 15 August 2022.

The purchase cost was within the valuation range obtained from an independent licensed property valuer.

(e) Contingencies

The Group had no contingent liabilities at year end (30 June 2021: nil).

NOTE 18 – RELATED PARTIES

(a) Compensation of Key Management Personnel

	30 June 2022	30 June 2021
	\$	\$
Short-term employment benefits	957,448	680,488
Long-term employment benefits	148	8,231
Post-employment benefits	76,956	57,342
Equity-based payments	538,535	866,250
	1,573,087	1,612,311

(b) Other transactions and balances with Key Management Personnel

Other Transactions with Key Management Personnel

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 the Company occupies in Western Australia. During the year an amount of \$142,213 (net of GST) was paid/payable for office rental and variable outgoings (2021: \$136,588, net of GST).

Mr Peter Ironside, Director, is also a shareholder and non-executive director of E79 Gold Mines Limited ("E79 Gold"). Mr Chris Cairns, Director, is a shareholder and non-executive chair of E79 Gold. E79 Gold sub-leases office space in the premises the Company occupies. During the year an amount of \$27,656 (net of GST) was paid/payable by E79 Gold to the Company for reimbursement of office rental and associated expenses (2021: \$20,136, net of GST). Stavely Minerals Limited also sold a second-hand motor vehicle to E79 Gold during the year. The agreed price was \$38,173 (excl GST) which was determined after researching prices of similar vehicles with similar mileage.

(c) Transactions with Other Related Parties

There were no transactions with other related parties (2021: none).

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	30 June 2022	30 June 2021
	\$	\$
NOTE 19 – AUDITOR’S REMUNERATION		
Amount received or due and receivable by the auditor for:		
Auditing the financial statements, including audit review - current year audits	44,728	39,940
Other services – taxation and corporate advisory	18,410	19,330
Total remuneration of auditors	63,138	59,270

NOTE 20 – SEGMENT INFORMATION

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity), whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available. Management will also consider other factors in determining operating segments such as the existence of a line manager and the level of segment information presented to the board of Directors.

Operating segments have been identified based on the information provided to the chief operating decision makers – being the executive management team.

The Group aggregates two or more operating segments when they have similar economic characteristics, and the segments are similar in each of the following respects:

- Nature of the products and services,
- Type or class of customer for the products and services,
- Methods used to distribute the products or provide the services, and if applicable
- Nature of the regulatory environment.

Operating segments that meet the quantitative criteria as prescribed by AASB 8 are reported separately. However, an operating segment that does not meet the quantitative criteria is still reported separately where information about the segment would be useful to users of the Financial Statements.

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 mineral exploration 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, statement of financial position 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 21 – FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Interest revenue

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

The Group’s principal financial instrument comprises cash. The main purpose of this financial instrument is to provide working capital for the Group’s operations. The Group has various other financial instruments such as sundry debtors, security bonds and trade creditors, which arise directly from its operations.

It is, and has been throughout the year under review, the Group’s policy that no trading in financial instruments shall be undertaken.

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NOTE 21 – FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES - continued

The main risk arising from the Group’s financial instruments is interest rate risk. The Board reviews and agrees on policies for managing each of these risks and they are summarised below.

Interest rate risk

At reporting date the Group’s exposure to market risk for changes in interest rates relates primarily to the Group’s cash and bonds. The Group constantly analyses its exposure to interest rates, with consideration given to potential renewal of existing positions, the mix of fixed and variable interest rates and the period to which deposits may be fixed.

At reporting date, the Group had the following financial assets exposed to variable interest rates:

	30 June 2022	30 June 2021
	\$	\$
<i>Financial Assets:</i>		
Cash and cash equivalents - interest bearing	842,997	13,702,392
Other receivables – bonds and deposits	85,013	85,013
Net exposure	928,010	13,787,405

There are no financial liabilities exposed to interest rates.

Sensitivity

At 30 June 2022, if interest rates had increased by 0.5% from the year end variable rates with all other variables held constant, post tax loss would have been \$4,615 lower and equity for the Group would have been \$4,615 higher (2021: changes of 0.5% \$37,348 lower loss and higher equity). The 0.5% (2021: 0.5%) sensitivity is based on reasonably possible changes, over a financial year, using an observed range of historical RBA movements over the last three years.

Liquidity risk

As at 30 June 2022, the Group has no significant exposure to liquidity risk as there was effectively no debt. The Group manages liquidity risk by monitoring immediate and forecast cash requirements and ensuring adequate cash reserves are maintained.

Credit risk

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted the policy of dealing with creditworthy counterparties and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group measures credit risk on a fair value basis.

Significant cash deposits are with institutions with a minimum credit rating of AA- (or equivalent) as determined by a reputable credit rating agency e.g. Standard & Poor.

The Group does not have any other significant credit risk exposure to a single counterparty or any group of counterparties having similar characteristics.

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NOTE 22 – PARENT ENTITY INFORMATION

	Company	
	30 June 2022	30 June 2021
	\$	\$
Statement of Financial Position Information		
Current assets	1,332,466	15,930,546
Non-current assets	3,994,462	4,044,348
Current liabilities	(1,233,746)	(3,304,391)
Non-current liabilities	(45,180)	(155,963)
Net Assets	<u>4,048,002</u>	<u>16,514,540</u>
Issued capital	76,523,067	76,523,797
Reserves	7,848,968	7,045,973
Accumulated losses	(80,324,033)	(67,055,230)
	<u>4,048,002</u>	<u>16,514,540</u>
Profit or loss information		
Loss for the year	(13,268,803)	(22,532,596)
Comprehensive loss for the year	<u>(13,268,803)</u>	<u>(22,532,596)</u>

Commitments and contingencies

There are no commitments or contingencies, including any guarantees entered into by Stavely Minerals Limited on behalf of its subsidiaries.

Subsidiaries			30 June 2022	30 June 2021
Name of Controlled Entity	Class of Share	Place of Incorporation	% Held by Parent Entity	
Stavely Pastoral Pty Ltd*	Ordinary	Australia	100%	100%
Energy Metals Australia Pty Ltd**	Ordinary	Australia	100%	100%
*formerly Van Diemens Gold Pty Ltd				
**formerly Stavely Tasmania Operations Pty Ltd				

NOTE 23 – EVENTS OCCURRING AFTER THE REPORTING PERIOD

Placement

26,666,667 shares were issued on 12 July 2022, pursuant to a placement to sophisticated and institutional investors. Gross proceeds were \$4,000,000.

Share Purchase Plan

35,326,537 shares were issued on 5 August 2022, pursuant to a Share Purchase Plan (SPP). Gross proceeds raised under the SPP were \$5,298,980.

Property Purchase and Loan Funds

On 15 August 2022, the Company settled on the property purchase of for a 524-acre farm, residence and an additional residential block adjacent to the Thursday's Gossan prospect, part of its 100%-owned Stavely Copper-Gold Project in western Victoria.

\$1.6 million of loan funding was used towards the acquisition of the land. The funding was provided by two parties to Stavely's wholly owned subsidiary, Stavely Pastoral Pty Ltd, as follows:

Under a loan agreement with Legal Mortgage Holdings Pty Ltd (LMH), LMH advanced \$1 million on the following terms:

- Interest payable at 10% pa, payable quarterly in advance
- Term of 24 months with a minimum term of 12 months
- Secured via a 1st mortgage on the land with a guarantee provided by Stavely Minerals Limited

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NOTE 23 – EVENTS OCCURRING AFTER THE REPORTING PERIOD - continued

Under a loan agreement with Anthony Cairns, Anthony Cairns advanced \$0.6 million on the following terms:

- Interest payable at 10% pa, payable quarterly in advance
- Term of 24 months with a minimum interest term of 12 months
- Unsecured, with a guarantee provided by Stavelly Minerals Limited

There are no other matters or circumstances that have arisen since 30 June 2022 that have or may significantly affect the operations, results, or state of affairs of the Group in future financial years.

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INDEPENDENT AUDITOR'S REPORT

To the members of Stavelly Minerals Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Stavelly Minerals Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2022, 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 year then ended, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

- (i) Giving a true and fair view of the Group's financial position as at 30 June 2022 and of its financial performance for the year ended on that date; and
- (ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Recoverability of deferred exploration expenditure

Key audit matter	How the matter was addressed in our audit
<p>As disclosed in Note 12 to the financial report, at 30 June 2022 the carrying value of capitalised exploration and evaluation expenditure represents a significant asset of the Group.</p> <p>In accordance with Australian Accounting standard AASB 6 <i>Exploration for and Evaluation of Mineral Resources</i>, the recoverability of exploration and evaluation expenditure requires significant judgement by management in determining whether any facts or circumstances exist to suggest that the carrying amount of this asset may exceed its recoverable amount.</p>	<p>Our procedures included, but were not limited to:</p> <ul style="list-style-type: none"> • Obtaining a schedule of the areas of interest held by the Group and assessing whether the rights to tenure of those areas of interest remained current at balance date; • Considering the status of the ongoing exploration programmes in the respective areas of interest by holding discussions with management, reviewing the Group's exploration budgets, ASX announcements and directors' minutes; • Considering whether any such areas of interest had reached a stage where a reasonable assessment of economically recoverable reserves existed; • Considering whether any facts or circumstances existed to suggest impairment testing was required; and • Assessing the adequacy of the related disclosures in the financial report.

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Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2022, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Financial Report

The directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at:

https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf

This description forms part of our auditor's report.

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Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 59 to 65 of the directors' report for the year ended 30 June 2022.

In our opinion, the Remuneration Report of Stavely Minerals Limited, for the year ended 30 June 2022, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

BDO Audit (WA) Pty Ltd

BDO


Jarrad Prue

Director

Perth, 27 September 2022

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Information as at 5 September 2022

a) Substantial Shareholders

Name	Number of Ordinary Shares per Notice given to Stavely Minerals Limited
Peter Reynold Ironside	32,087,982
Jupiter Investment Management Ltd	17,700,001

b) Shareholder Distribution Schedule

Size of Holding	Number of Shareholders	% held
1 - 1,000	348	0.05
1,001 - 5,000	999	0.89
5,001 - 10,000	649	1.62
10,001 - 100,000	1,586	16.96
100,001 and over	430	80.48
Total	4,012	100.00
Number of shareholders holding less than a marketable parcel	987	

c) Voting Rights

- (i) at meetings of members entitled to vote each member may vote in person or by proxy or attorney, or in the case of a member which is a body corporate, by representative duly appointed under section 250D;
- (ii) on a show of hands every member entitled to vote and present in person or by proxy or attorney or representative duly authorised shall have one (1) vote;
- (iii) on a poll every member entitled to vote and present in person or by proxy or attorney or representative duly authorised shall have one (1) vote for each fully paid share of which he is the holder and in the case of contributing shares until fully paid shall have voting rights pro rata to the amount paid up or credited as paid up on each such share; and
- (iv) a member shall not be entitled to vote at general meeting or be reckoned in a quorum in respect of any shares upon which any call or other sum presently payable by him is unpaid.

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d) Twenty Largest Shareholders:

Name	Number of Ordinary Shares	% of Issued Capital
1 Citicorp Nominees Pty Limited	29,276,836	9.07
2 Chaka Investments Pty Ltd	19,580,000	6.06
3 HSBC Custody Nominees (Australia) Limited	17,170,624	5.32
4 BNP Paribas Nominees Pty Ltd <JB Au Noms Retailclient DRP>	8,386,533	2.60
5 BNP Paribas Noms Pty Ltd <DRP>	7,473,514	2.31
6 Ironside Pty Ltd <Ironside Family A/C>	6,592,621	2.04
7 Greenstone Property Pty Ltd <Titeline Property A/C>	6,122,678	1.90
8 Ironside Pty Ltd <Ironside Super Fund A/C>	5,915,361	1.83
9 Ms Jennifer Elaine Murphy	5,162,345	1.60
10 Ms Roslyn Theresa Cairns	4,400,000	1.36
11 Mr Christopher John Cairns	3,136,350	0.97
12 J P Morgan Nominees Australia Pty Limited	3,050,472	0.94
13 Goldwork Asset Pty Ltd <Cairns Family S/F A/C>	2,938,387	0.91
14 Ms Savannah Sydney Jackson	2,697,667	0.84
15 McNeil Nominees Pty Limited	2,614,735	0.81
16 Ms Julie Ann Cairns	2,540,012	0.79
17 Mr Harle John Mossman	2,495,849	0.77
18 Michelle Maria Skinner	2,174,204	0.67
19 Goldwork Asset Pty Ltd <The Cairns Family A/C>	2,147,531	0.66
20 Brazil Farming Pty Ltd	2,000,000	0.62
	135,875,719	42.07
Shares on issue at 5 September 2022	322,954,656	

e) Unlisted Options

Issued under Stavely's Employee Incentive Plan:

# of Options	Exercise Price	Expiry Date	# of Holders
2,700,000	\$1.47	30/11/2022	12
200,000	\$0.56	30/11/2022	1
4,102,500	\$1.20	31/10/2023	19
1,437,500	\$0.71	30/11/2024	16

Other Unlisted Options:

Name	Options exercisable at \$0.71 each on or before 30/11/2024	Options exercisable at \$0.66 each on or before 30/11/2022
Goldwork Asset Pty Ltd <Cairns Family A/C>	1,000,000	-
Edenglen Pty Ltd <Murphy Family A/C>	850,000	-
Ironside Pty Ltd <Ironside Family A/C>	575,000	-
Mrs Amanda Grace Sparks	575,000	-
Mr Robert Andrew Dennis	300,000	250,000
Total	3,300,000	250,000

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Tenement Portfolio - Victoria

The tenements held by Stavely Minerals as at 30 June 2022 are as follows:

Area Name	Tenement	Grant Date/ (Application Date)	Size (Km ²)
Black Range JV*	EL 5425	18 December 2012	100
Yarram Park	EL 5478	26 July 2013	26
Ararat	RL 2020	8 May 2020	28
Stavely	RL 2017	8 May 2020	81
Stavely	EL 6870	30 August 2021	865
Stavely	EL 7346	(10 June 2020)	41
Stavely	EL 7347	17 June 2022	17
Yarram Park	EL 7628	10 December 2021	28

* 80% held by Stavely Minerals Limited, 20% by Black Range Metals Pty Ltd, a fully owned subsidiary of Navarre Minerals Limited. Black Range Metals Pty Ltd is being diluted.

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