TERRA STUDIO

ASX: SVY

STAVELY MINERALS LIMITED

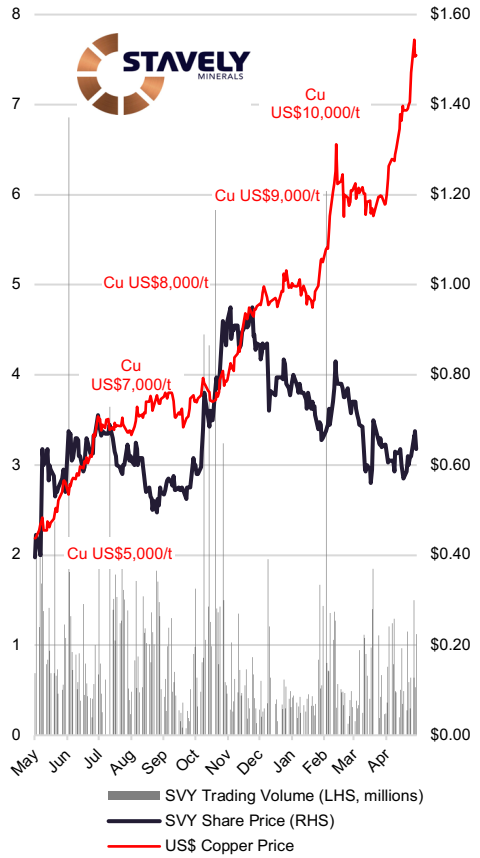
Company Research

13th May 2021

Share Price	**$0.635**
52-Week Range	$0.38 - $0.96
Market Capitalisation	$169.6m
Shares Outstanding	261.0m
Unlisted Options ($1.47, Nov 2022)	2.7m
Cash (as at 31th March 2021)	$20.3m
Enterprise Value	$149.2m
Management & Staff	~20%

Board and Management

Chris Cairns	Exec. Chairman & MD
Jennifer Murphy	Exec. Technical Director
Peter Ironside	Non-Executive Director
Amanda Sparks	Non-Exec. Director & Co. Sec.



Stavely Minerals Limited (ASX: SVY) is a mineral resource company currently focused on the exploration and development of the Stavely copper-gold-silver project in western Victoria. Discovered in Sep 2019, the Cayley Lode shows some strong similarities with the Butte (Montana) and Magma (Arizona) deposits.

Research Analyst: J-François Bertincourt

Getting a Taste of a nearby Copper Porphyry

Exploration Results: Air-core drilling at the Toora West prospect, ~15km north-west of Thursday's Gossan, has returned strong indications of an underlying copper porphyry system.

In March 2021, Stavely Minerals completed a first-pass 32-hole air-core drilling program at Toora West. The program was designed as wide-spaced reconnaissance drilling on 400m spaced lines and 200m collars on the lines. Based on the visual observations of chalcopyrite, secondary chalcocite and molybdenite sulphide mineralisation in three holes (STWAC029 to 031), a further 18 follow-up holes were completed. Assay results are pending for the follow-up holes.

STWAC029

- 1m at 0.15% Cu from 58m down-hole, and
- 3m at 0.34% Cu from 64m, incl. 1m at 0.61% and 2.46 g/t Ag from 64m

STWAC030

- 3m at 0.17% Cu from 35m incl. 1m at 0.32% Cu from 35m
- 1m at 0.14% Cu from 45m

STWAC031

- 3m at 0.11% Cu from 39m down-hole
- 1m at 0.14% Cu from 50m to the end-of-hole

Geological Model: Beyond the assay results, which are borderline economic, the combination of mineralisation and alteration observed points to the signature of the outer "ring" of a porphyry intrusion.

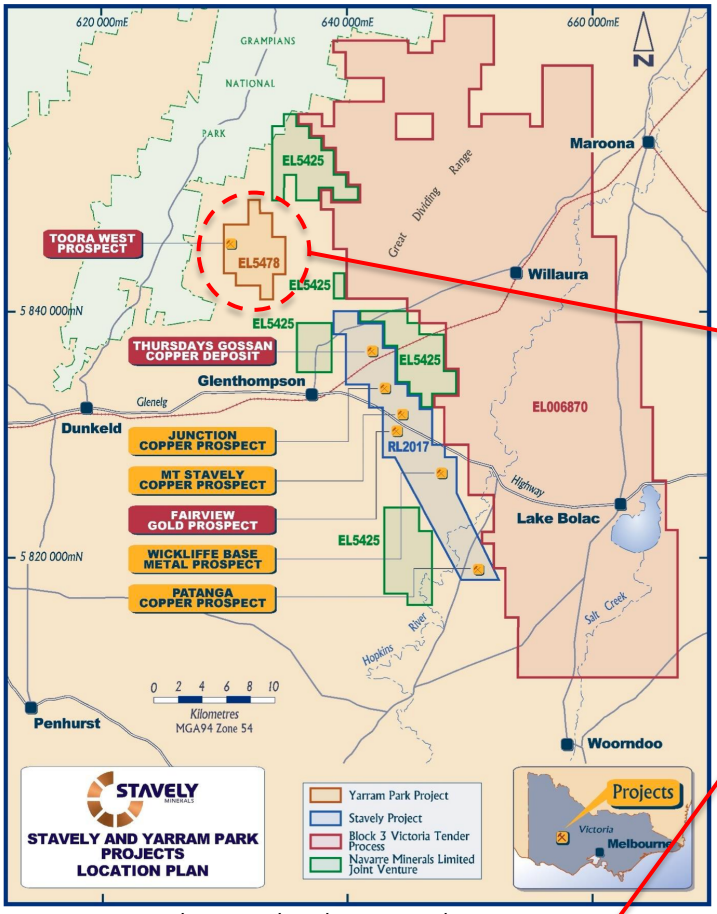
Mineralisation is associated with epidote alteration, indicating a possible inner-propylitic position, while quartz veins display 'pinking' on the margins, likely a potassic feldspar selvedge to the veins, indicating a more proximal outer-potassic signature (see Sillitoe model, next page). The near-proximal indication of inner propylitic to outer-potassic alteration is considered very encouraging as this zone is typically lower-grade and would indicate that the target higher grade potassic core is likely close by meaning that the overall position of the economic mineralisation is close to surface.

As the Cayley Lode shows strong similarities to the Butte and Magma lode-style porphyry mineral system, Toora West could present similarities with the Anaconda/Pittsmont and Resolution porphyry intrusions.

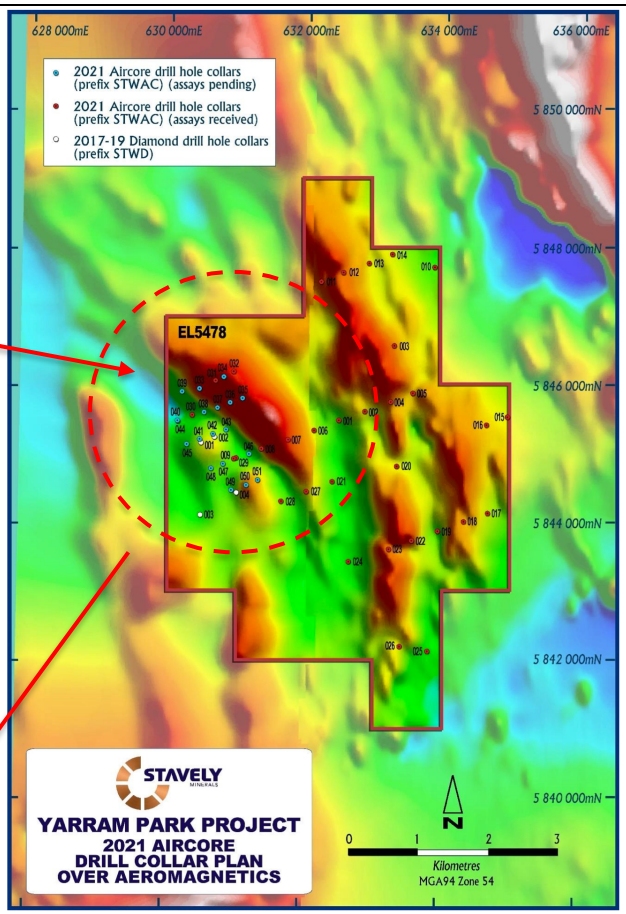
The 15km distance between the Cayley Lode and the Toora West Prospect appears too large to have a direct metallogenic link between the two zones. But more importantly, the type of alteration observed indicates that the potential porphyry intrusion is close to surface, while the Resolution mineralisation is much deeper, starting at 2km depth.

Upcoming Drilling and Increased Prospectivity: A series of follow-up diamond drill holes will be planned once assay results for the follow-up air-core program have been received. If confirmed by follow-up diamond drilling, the Toora West Prospect could become a highly significant discovery for Stavely Minerals Ltd. In any case, the results of this early stage air-core drilling program reinforce the prospectivity of the Stavely Volcanic Arc, where the company has the largest tenure and is by far the most active explorer.

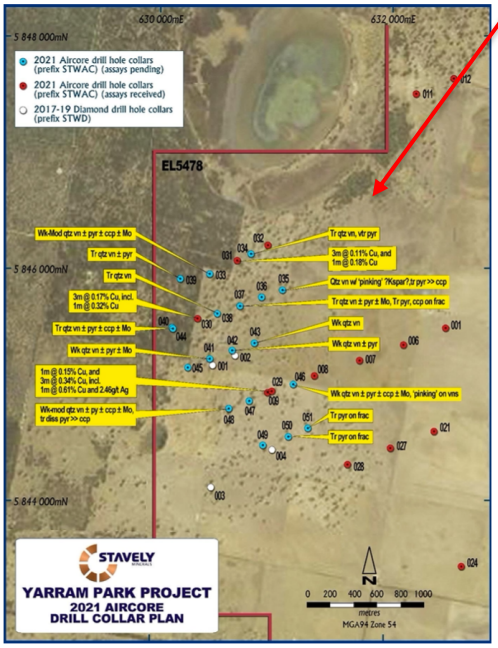
Yarram Park Project – Toora West Prospect – Air-Core Drilling Results



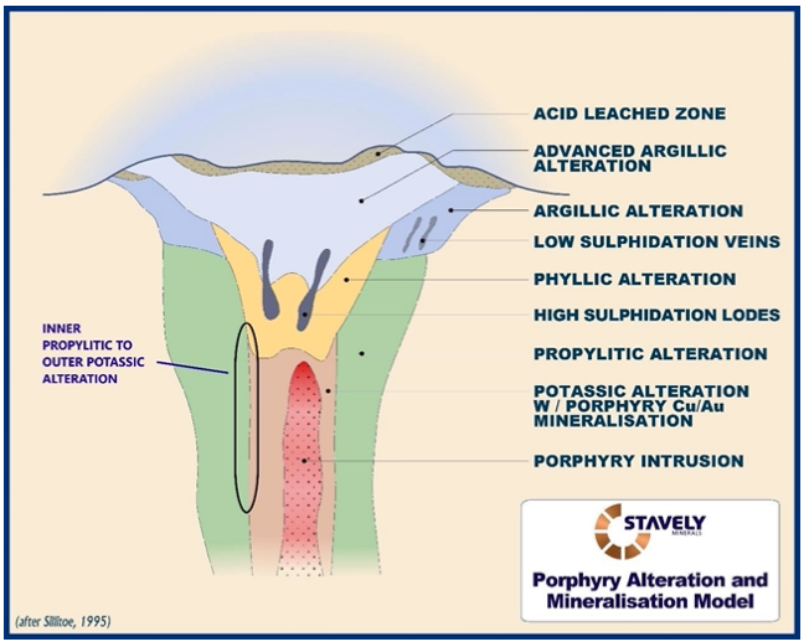
Stavely Minerals Ltd tenure and prospect map



Air-core drill collar locations on 1VD magnetics



Assay grades for first-pass air-core drilling and observed mineralisation/ alteration



Porphyry alteration and mineralisation model showing location of outer propylitic/outer potassic alteration (after Sillitoe, 1995)

Source: SVY