

ANNUAL REPORT FOR
EL19/2018
22nd July 2020 to 21st July 2021

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Note: All figures, grids and contained data are presented according to the GDA/MGA94 grid system.

No exploration could be undertaken by Stavely Tasmania prior to the tenement anniversary due to the COVID-19 pandemic travel restrictions.

The objectives of the diamond drilling program previously conducted on EL19/2018 included:

- Test the potential extensions of the historical mine area.
- Testing for potential structural repeats to the east of the Mathinna lodes and workings in an area where no previous drilling has been undertaken
- Test for possible shallow high-grade reefs to the south of the New Golden Gate Mine in an area where there has been no previous drilling

The extensional drilling, comprising three diamond holes (MDD002, MDD003 & MDD004) identified lode style gold mineralisation in the projected locations and included a number of intervals containing small amounts of visible gold. A detailed investigation and additional sampling is required to improve sample variability and assay repeatability.

Two diamond holes (MDD006 & MDD007) were drilled as part of the Mineral Resources Tasmania's (MRT) Exploration Drilling Initiative Program to better understand the overall stratigraphic and structural setting of the Mathinna area.

These holes have provided a significant dataset of excellent structural information that will help to target further exploration both at Mathinna and along the structural trend which extends for more than 30km from Tower Hill in the south to Alberton in the north.

Both the drill holes did identify previously unknown "reefs" which generally consisted of quartz breccia with minor quartz - sulphide veining. In MDD006, the strong quartz carbonate sulphide veining (sub breccia) in siltstone from 128.5 to 138.6m did return a low-grade gold intercept of 1m @ 0.53 g/t Au from 137.55m. Also in MDD006, a siltstone with moderate veining from 218.4 to 222.1m returned an anomalous intercept of 1m @ 0.86 g/t Au from 219.58m.

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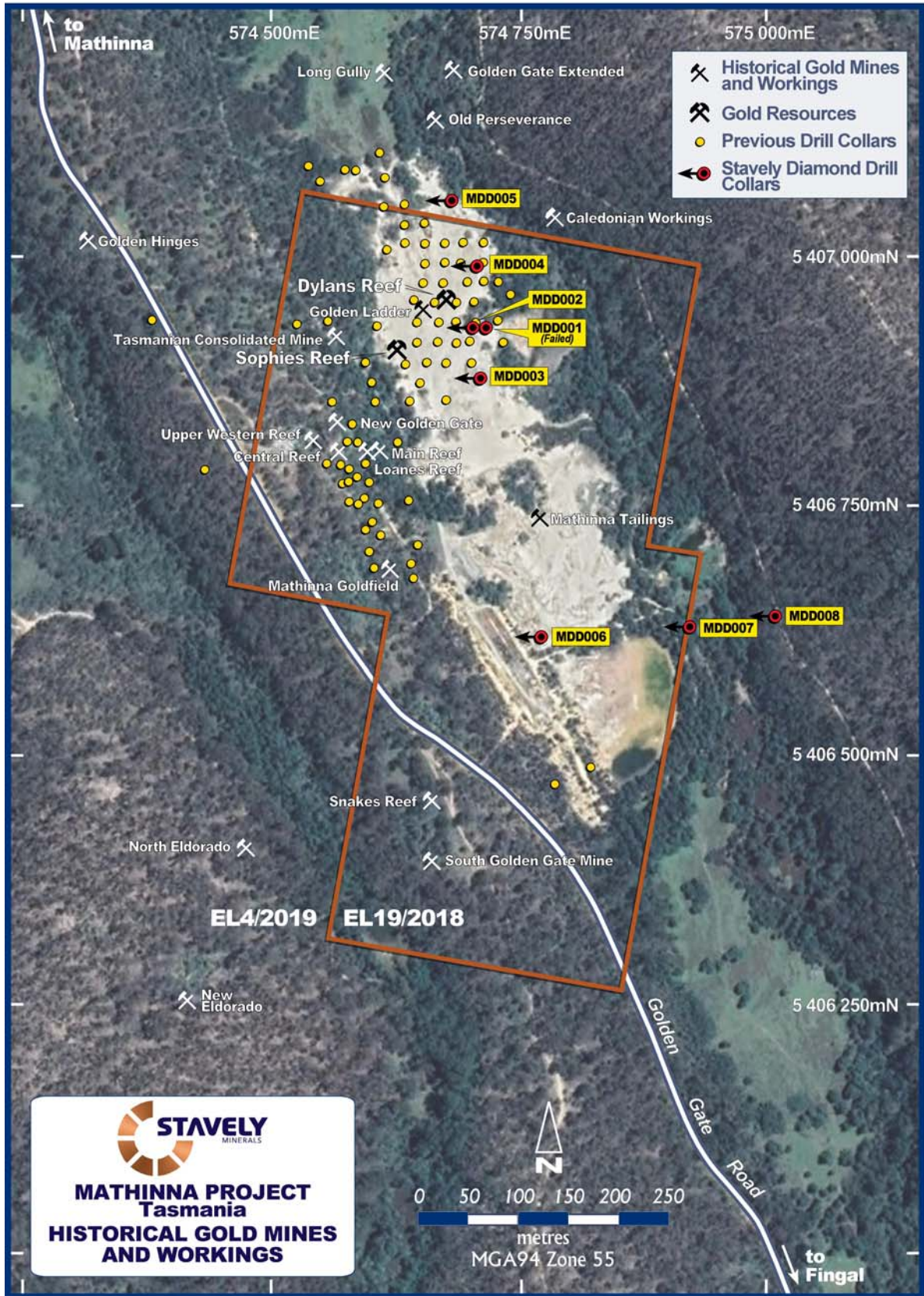


Figure 1. Summary Exploration Activity Map – Diamond Drill Hole Locations.

INTRODUCTION

No exploration could be undertaken by Stavely Tasmania on the licence for the period 22nd July 2020 to 21st July 2021 due to the COVID-19 pandemic travel restrictions. EL19/2018 hosts the New Golden Gate and North Golden Gate Mines which are located in the Mathinna goldfield in Tasmania's north eastern gold province (Figure 2). Three diamond holes (MDD002, MDD003 & MDD004) were previously drilled targeting potential extensions to the known lodes on EL19/2018. Two co-funded drill holes (MDD006 and 007) were completed to understand the stratigraphic and structural setting of the Mathinna mineralisation as part of MRT's Exploration Drilling Grant Initiative.

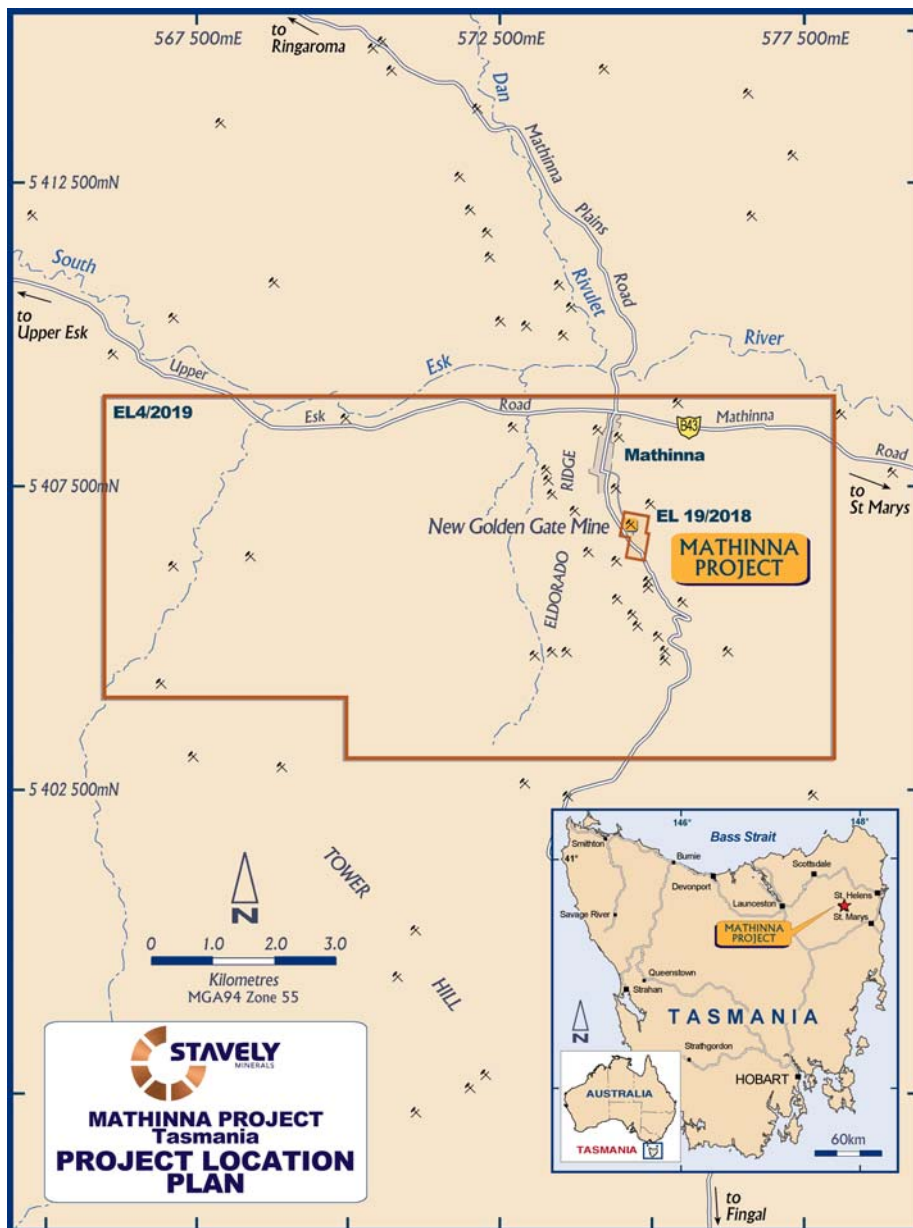


Figure 2. EL19/2018 Location Plan.

Exploration Rationale

Most of the historical mines within EL19/2018 were closed by the 1920's and since then exploration has been extremely patchy and largely ineffective. To be economic, the production grades in the early 1900's had to be around 1 oz/t (30 g/t) gold. Only the very high-grade reefs were mined and little attention was paid to mineralisation which today can be mined economically due to a higher gold price and improved mining and processing techniques. In addition, a recent (2018) geological 3D model which demonstrates a new structural synthesis based on mapping and multiple cross sections has been developed by the MRT.

Drilling in the late 1990's was focused in the northwestern corner of the lease along the northerly projection of the New Golden Gate Mine (Tasmania's second largest gold mine having produced 264,000oz at 26 g/t mostly between 1881 and 1912) structures and up-dip from reported intersections in cross-cuts in the North Golden Gate Mine.

This shallow drilling identified two new shallow high grade shoots to the NE of historical workings (Dylans and Sophies Reefs – Inferred JORC 2004 Resource 25,500oz at 13.4 g/t Au) from surface to 100m, as well as two new reefs to the west of historical workings (Central – 7,900oz at 6.9 g/t Au and the Upper Western – 4,400oz at 10 g/t Au).

The southern 400m strike length of the favourable structural corridor within EL19/2018 has only been tested by two drill holes, the southern cross-cuts of the New Golden Gate Mine and the South Golden Gate Mine. The two diamond holes were drilled by the Tasmania Mines Department (now MRT) in the early 1960's and reportedly did intersect reef style mineralisation.

Licence Details

Stavelly Tasmania Pty Ltd was granted EL19/2018 on 20 July 2019 for an initial term of five years. The licence is held in joint venture with Bestlevel Holdings Pty Ltd (Bestlevel). The following terms were agreed to between Stavelly Tasmania and Bestlevel:

- Stavelly Tasmania is the manager.
- Upon the grant of the tenements, Stavelly Tasmania Pty Ltd will have a 51% interest in the tenement(s) and Bestlevel will have a 49% interest.
- In consideration for a \$50,000 payment to Bestlevel, Stavelly Tasmania has the right to earn an interest of up to 85% in the tenement(s) in the following stages:
 - Exploration-related expenditure of \$500,000 within a two-year period to earn an additional interest of 24% (to 75%); and
 - At completion of a Feasibility Study and payment of \$200,000 to Bestlevel, Stavelly Tasmania may earn an additional 10% interest (to 85%).

- Subject to Stavely Tasmania having earned its 85% interest, a Joint Venture will be formed and subsequent expenditure will be on a 'contribute or dilute' basis.
- Should Bestlevel's interest fall below 5%, it will be transferred to Stavely Tasmania in consideration for a 1.5% net smelter return (NSR).
- Stavely Tasmania retains a right to purchase Bestlevel's NSR for payment of \$250,000 per 0.5% NSR to a maximum of \$750,000 to acquire the entire NSR.
- Should the Joint Venture announce in a JORC-compliant Public Report an Ore Reserve in excess of 500,000oz, Stavely Tasmania will pay Bestlevel \$500,000.
- Both parties have pre-emptive rights over the other's interest.

Subsequent to the drilling program at Mathinna, Stavely Tasmania have earned an interest of 75% in EL19/2018, EL4/2019 & EL6/2019 through the expenditure of \$500,000. Bestlevel retain a 25% interest in the exploration licences.

Geology & Mineralisation Overview

EL19/2018 hosts the New Golden Gate and North Golden Gate Mines which are located in the Mathinna goldfield in Tasmania's north eastern gold province (Figure 3). The Mathinna goldfield lies on the Mangana-Lyndhurst trend, a north-northwest trending zone which accounts for over half of the gold occurrences in Tasmania's north-eastern gold province (Figure 4). The bulk of the gold occurrences in the province are in discrete high-grade quartz+minor sulphide (predominantly pyrite and arsenopyrite) reefs hosted in Ordovician to Devonian aged shale-siltstone-sandstone sequence of turbiditic origin. These reefs were emplaced structurally during the Middle Devonian Tabberrabberan Orogeny.

The New Golden Gate Mine which produced over 250,000 oz at 26 g/t Au, exploited 4 larger (and a number of smaller) steeply plunging shoots over a vertical extent of over 600 meters. These reefs are north-northeast striking and sub-vertical with the ore-shoots generally <50m along strike. The New Golden Gate and North Golden Gate reefs are hosted on the steep eastern limb of a west verging, north-northwest striking fold in a package of dominantly shale and siltstone. Structurally the reefs appear to be hosted in north to north-northeast striking faults which splay off north-northwest striking faults (specifically the steeply west-southwest dipping main and second slides).

Shoots within these north to north-northeast striking structures are short strike length, large vertical extent (steeply south plunging), lensoidal "pipes" within these more laterally extensive faults. The main shoot of high grade and width in the New Golden Gate mine occurred where the Main and Loanes Reefs converged.

Mineralisation is interpreted to be hosted within dextral strike-slip shear zones with right-hand jogs creating dilatant zones that host the structurally controlled quartz vein arrays. Mineralisation is described as being hosted in quartz veins of variable width from a few centimetres to 10m and ranging in strike length from 5m

to over 300m. The majority of gold productive veins are reported to be less than 1m wide and between 30m to 60m in strike length.

The recent geological 3D model developed by the MRT, which is based on mapping and multiple cross sections and constrained by 3D geophysical modelling using MRT gravity and magnetic survey data coupled with drilling and rock physical property databases is invaluable in assisting with exploration targeting. The structural architecture of the area is associated with NNW trending dextral wrench shears which control the orientation of lode dilation and mineralisation. The primary lodes at Mathinna are orientated NNE with both linking structures and orthogonal structures. This architecture will provide the philosophy for ongoing exploration activities and drill targeting.

The discovery of high-grade gold mineralisation in the 1990's in the northern portion of the exploration licence was based on pursuing the New Golden Gate structural control to the north of the historical workings.

The favourable structural corridor continues for a further 400m south of the New Golden Gate Mine within EL19/2018 (Figure 5). To the south of the New Golden Gate Mine, shearing and discrete slides are reported from the South Golden Gate Mine, drill holes GG2 and GG3 and in the two southern cross-cuts in the New Golden Gate Mine.

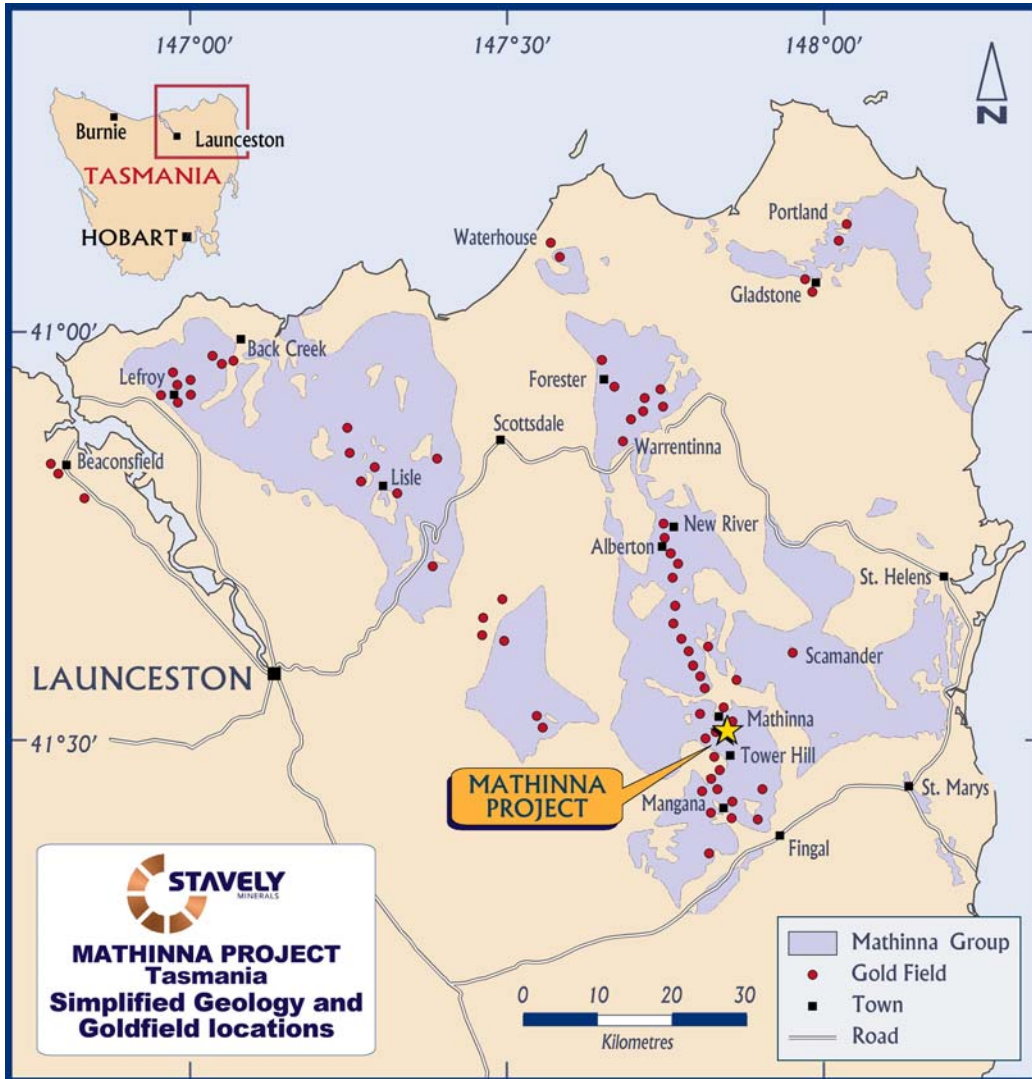


Figure 3. Mathinna Project – Regional Geology Plan.

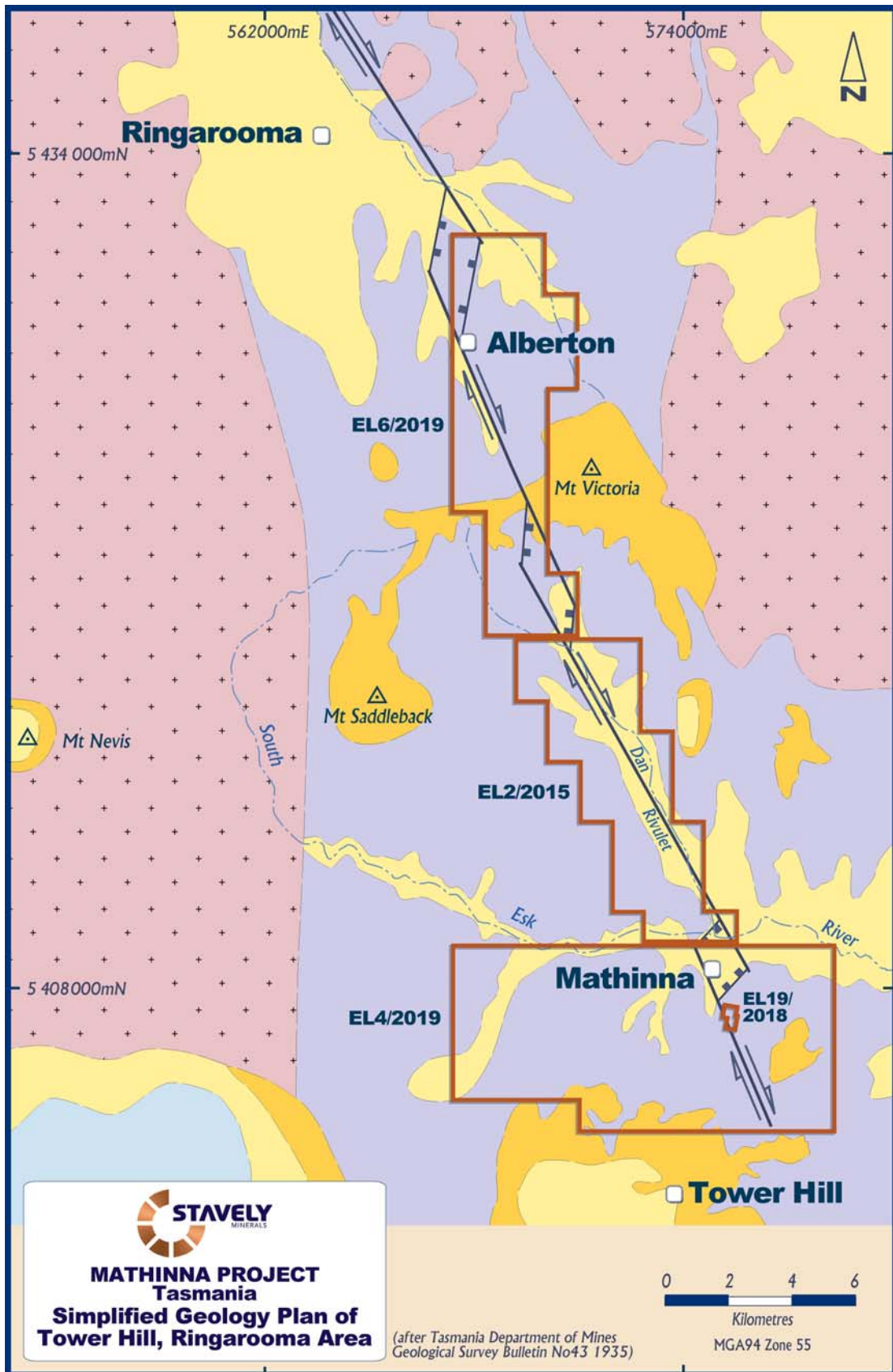


Figure 4. Mathinna Project – Local Geology Plan.

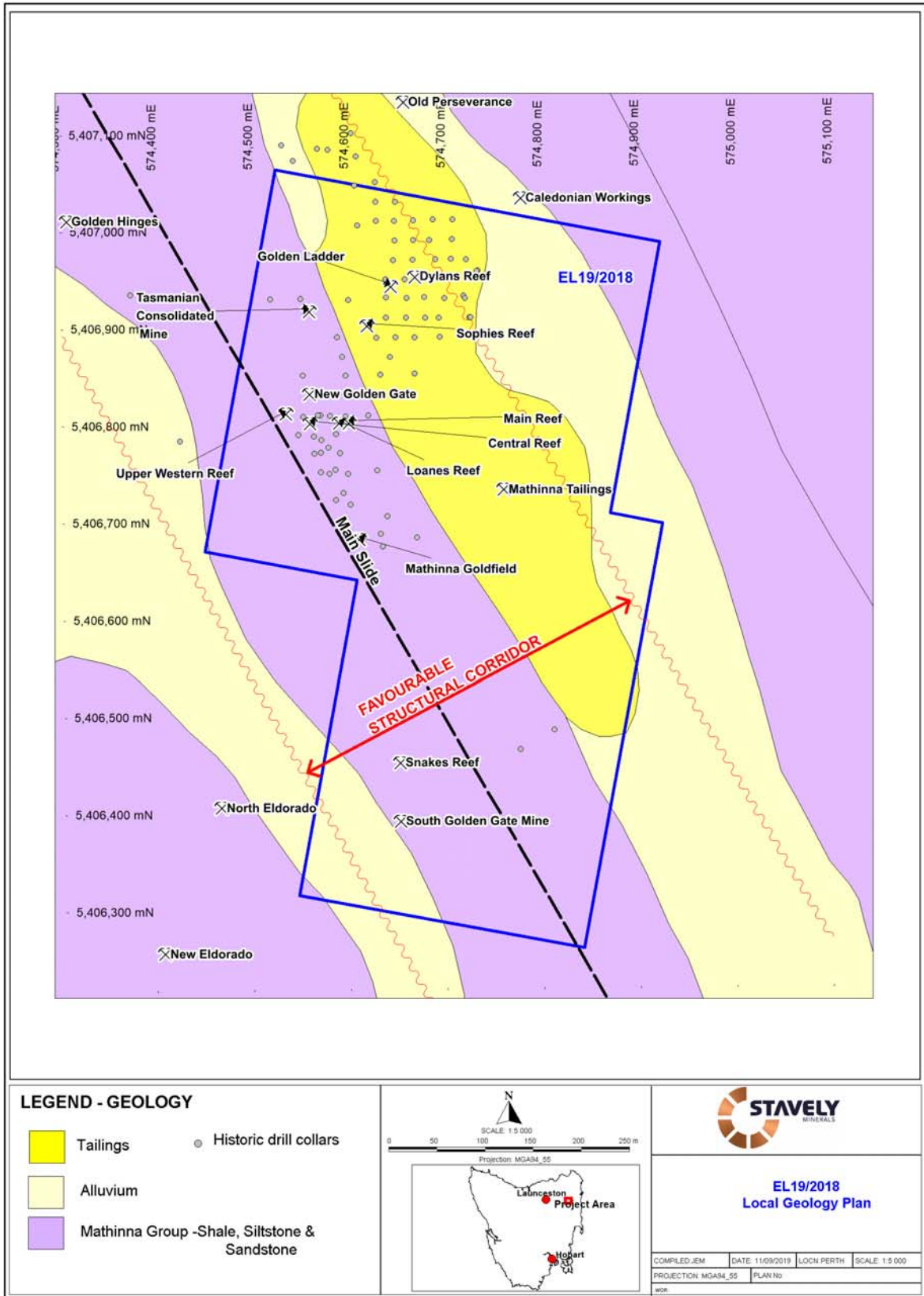


Figure 5. Mathinna Project – Prospect Geology Plan.

REVIEW OF PREVIOUS WORK

The Mathinna Goldfield has been explored sporadically since 1969. This work has been variably focused on the alluvials, tailings, shallow open-cuttable low grade hard rock and high-grade underground reef potential but has been sporadic in nature.

Since the mid 1990's there have been 7 drilling programs in the New Golden Gate area (Figure 6). The first phase of drilling was 3 diamond holes drilled by the Mines Department (now MRT), two (GG1 & GG2) to the south of the New Golden Gate Mine and one (GC3) to the north. All 3 holes intersected reef style mineralisation with the northern hole intersecting a narrow (0.3m downhole) 20g/t reef and one of the southern holes reportedly intersecting visible gold.

In 1989, Epoch Minerals Exploration NL carried out an 11 hole (for 825m) RAB drilling program around the upper workings. Favourable results around the New Golden Gate Shaft included 8m @ 10.7 g/t Au and 2m @ 4.7 g/t Au in PDH5; 2m @ 4.2 g/t Au and 2m @ 3.9g/t Au in PDH6; 2m @ 5.4g/t Au in PDH9 and 2m @ 1.05 g/t Au, 2m @ 1.0 g/t Au and 2m @ 1.2 g/t Au in PDH10.

In 1995 Resolute Samantha Limited drilled one RC hole near the New Golden Gate/ North Golden Gate workings.

From late 1998 to early 1999, Defiance Mining drilled 45 RC holes for 4,246.5m around the New Golden Gate / North Golden Gate workings. This drilling successfully intersected high grade reefs, named Dylans and Sophies as well as further defining high grade reef mineralisation in the vicinity of the New Golden Gate Shaft which had been intersected in the Epoch percussion holes. These intersections form the basis of the resources mentioned below.

In late 1999 to early 2000, Defiance drilled a further 23 RC holes for 2,018 metres and a further 886m of diamond core on 12 RC holes (8 from the previous program). This drilling further defined the reef mineralisation intersected in the earlier program.

Some of the better intersections included:

2m at 34.33 g/t Au from 111m in MT050 (Sophies Reef)
2m @ 15.2 g/t Au from 74m in MT080 (Sophies Reef)
3m @ 9.62 g/t Au from 109m in MT078 (Sophies Reef)
3m @ 23.05 g/t Au from 46m in MT055 (Dylans Reef)
4m @ 15.37 g/t Au from 51m in MT039 (Dylans Reef)
2m @ 26.8 g/t Au from 92m in MT046 (Dylans Reef)
2m @ 25.4 g/t Au from 220m in MT075 (Upper West Reef)

In 2004, Cala Resources carried out a small 8 hole RC drill program for 180m (although 2 holes were abandoned at 1 and 2m depth), straddling the northern boundary of the lease. This drilling was technically poor with ground water forcing abandonment of many of the holes and hampering sample recovery.

From the drilling along strike from the New Golden Gate Mine in the late 1990's, two new shallow high grade resources were identified to the NE of historical workings (Dylans and Sophies – 25,500oz at 13.4 g/t Au) from surface to 100m, as well as two new reefs to the west of historical workings (Central – 7,900oz at 6.9 g/t Au and the Upper Western – 4,400oz at 10 g/t Au).

Some of the better intercepts from drilling at the Sophies and Dylans Reefs are presented in Figure 7.

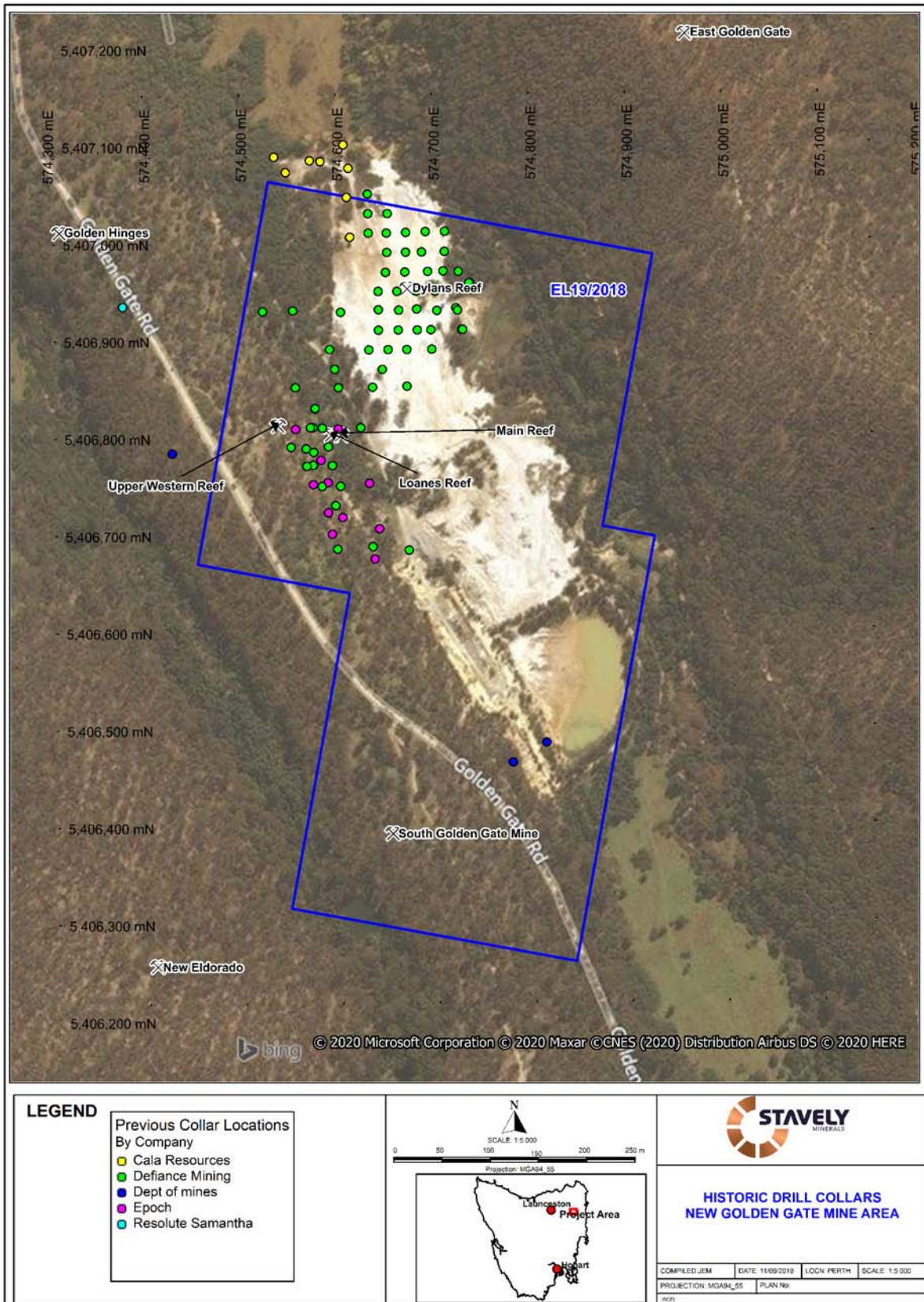


Figure 6. Mathinna Project – Historical Drill Collar Location Plan.

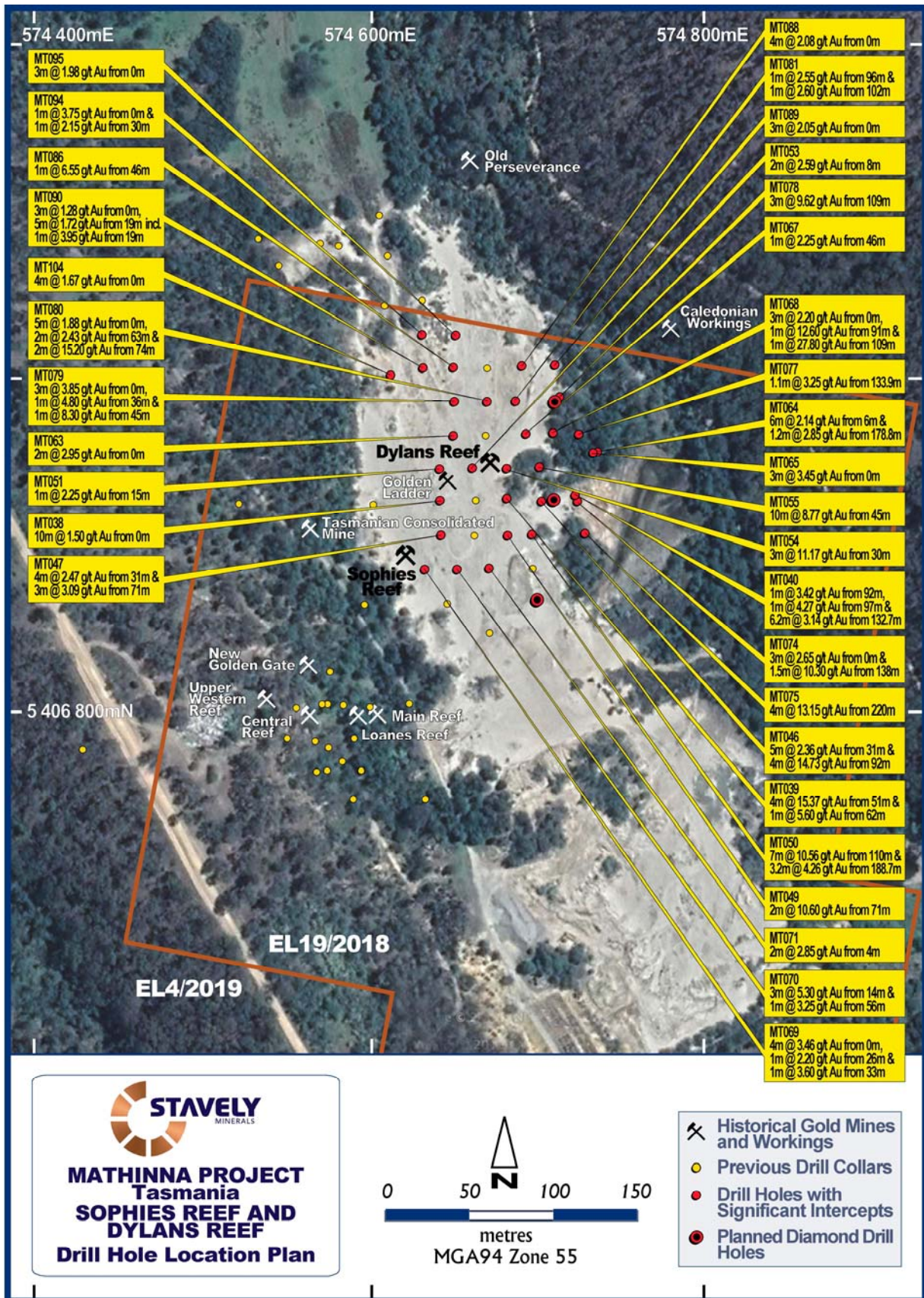


Figure 7. Mathinna Project – Sophies Reef and Dylans Reef – Drill Collar Plan with Significant Intercepts.

During the period from the 22nd July 2019 to the 21st July 2020, exploration conducted on EL19/2018 included a baseline environmental survey and a diamond drilling program.

A baseline environmental survey was conducted by Pitt & Sherry over E19/2018 in August 2019. No threatened vegetation communities under the Nature Conservation Act 2022 were mapped within the lease area. Native vegetation communities mapped within the lease area include Eucalyptus amygdalina forest on the mudstone on the western side with a small Acacia dealbata forest in the north east corner.

The report titled “Baseline Environmental Survey, Mathinna Lease EL19/2018” is presented in Appendix 1.

Between December 2019 and February 2020, five diamond holes were drilled on EL19/2018. Three diamond holes (MDD002 to MDD008) were designed to test the potential extensions of the historical mine area. Drill hole MDD001 failed and was re-drilled as MDD002. Two diamond holes (MDD006 & MDD007) were drilled as part of Mineral Resources Tasmania’s (MRT) Exploration Drilling Initiative Program to better understand the overall stratigraphic and structural setting of the Mathinna area.

Diamond Drilling

Drilling was conducted by Titeline Drilling Pty Ltd on EL19/2018 using a D200 diamond drill rig to produce HQ drill core.

Drill collar locations are presented in Figure 1, and collar details are given in Table 1.

Table 1. EL19/2018 – Mathinna Gold Project – Drill Collar Table

Mathinna Gold Project - Drill Collar Table									
MGA 94 Zone 55									
Hole id	Hole Type	East	North	Dip/ Azimuth	RL (m)	Total Depth (m)	Prospect	Tenement	Comments
MDD001	DD	574710	5406925	-60/270	310	54.9	Sophies & Dylans Lodes		Hole Failed
MDD002	DD	574700	5406926	-60/270	310	348	Sophies & Dylans Lodes	EL19/2018	
MDD003	DD	574706	5406873	-50/270	311	417.7	New Golden Gate	EL19/2018	
MDD004	DD	574706	5406987	-65/270	305	218.7	Sophies & Dylans Lodes	EL19/2018	
MDD006	DD	574765	5406615	-55/265	319	390.7	Southern Stratigraphic hole	EL19/2018	
MDD007	DD	574912	5406623	-60/265	312	302.4	Southern Stratigraphic hole	EL19/2018	

Drill collar locations were pegged before drilling and surveyed using handheld GPS to accuracy of +/- 3m. The grid system used is GDA94, zone 55. Down-hole single shot surveys were conducted by the drilling contractor at approximately every 30m down-hole. Topographic control was achieved via use of DTM developed from a 2012 airborne LiDAR survey conducted by Optech Gemini for the Tasmanian Government.

Geological logging was completed on the five diamond drill holes. Qualitative logging of the core including, lithology, mineralogy, alteration, veining, weathering, structure and geotechnical parameters. Diamond

recovery was logged and recorded in a database. The diamond recovery was recorded for each run of drilling and measured against the drilled length. Recovery was generally very good.

Half core samples of intervals of interest in the drill core was sampled to geological boundaries with sample lengths generally between 45cm and 1.1m. The core was cut at site using a core saw and submitted to ALS Laboratories in Bernie, Tasmania for analysis of gold using the 30g fire assay method with a 0.01 ppm detection limit.

Laboratory sample preparation involved:- sample crushed to 70% < 2mm, riffle/rotary split off 1kg, pulverize split to >85% passing 75 microns. The samples were then analysed by fire assay with an AAS finish (30g charge).

Up to a 30g sample is fused at approximately 1,100°C with alkaline fluxes including lead oxide. During the fusion process lead oxide is reduced to molten lead which acts as a collector for gold. When the fused mass is cooled the lead separates from the impurities (slag) and is placed in a cupel in a furnace at approximately 900°C. The lead oxidizes to lead oxide, being absorbed by the cupel, leaving a bead (prill) of gold, silver (which is added as a collector) and other precious metals. The prill is dissolved in aqua regia with a reduced final volume. Gold content is determined by flame AAS using matrix matched standards. For samples which are difficult to fuse a reduced charge may be used to yield full recovery of gold. This technique approaches total dissolution of most minerals and is considered an appropriate assay method for detecting gold mineralisation.

The analytical laboratory provide their own routine quality controls within their own practices. In addition, 4 independently certified standards were inserted per 100 samples. These standards returned results within 2 standard deviations of the expected results.

Assay checks of the anomalous 30g fire assay results from MDD002 were undertaken. This was completed using PhotonAssay method, which uses a 500g sample size which is expected to be more representative due to the much larger sample size.

For PhotonAssay, a jar of ~500g of either crushed or pulverised sample (or both) was collected and inserted into a high energy X-ray. This hits samples with high-energy X-rays, causing short-lived excitation of atomic nuclei of targeted elements. These excited nuclei then give off a characteristic signature that can be detected and used to calculate metal grade. The PhotonAssay method is a non destructive assay method. MinAnalytical has National Association of Testing Authorities (NATA) accreditation for the PhotonAssay technology, in accordance with ISO/IEC-17025 testing requirements.

Digital drilling data, including collar, survey, lithology, alteration, veining, mineralisation, structure, recoveries and magnetic susceptibility are presented in Appendix 2. The original laboratory files are presented in Appendix 3.



Photo 1. Drill Rig on Mathinna Tailings.

Diamond Drill Hole - MDD002

On the 9th December 2019, drilling of diamond hole MDD002 commenced and was completed to a depth of 348m on 18th December 2020. MDD002 was drilled at a dip of -60° in a westerly direction (270°), which is perpendicular to stratigraphy. A mud rotary pre-collar was drilled through the tailings and unconsolidated surface sediments to a depth of 27.5m. Once bedrock was reached diamond drilling to produce HQ diameter core commenced. The drill section is presented in Figure 8.

The hole was designed to target extensions to the Dylans East and West Lodes, the Sophies Lode and potential additional lodes in the Mathinna Sediments.

A summary log is presented below –

0 – 27.5m	Mud Rotary pre-collar, PVC collar to 12m, PCD to 27.5m.
27.5 – 89.6m	Mathinna Sediments – Variable pervasive silica altered siltstones with localised weak to moderate chlorite sericite/albite(?) pervasive alteration (Photo 2). Infrequent “bunchy” irregular quartz veining to 10cm thickness with associated increases in alteration as above.
89.6 – 92m	Dylan’s East: White bucky quartz vein bx with irregular sparse 1cm clots of sphalerite with minor disseminations of pyrite and galena. Has discontinuous quartz veins forming thin weakly defined laminations. Clearly multi-phase veining.
92 – 116.4m	Mathinna Sediments
116.4 – 117m	Zone of 1cm thick veins forming stockwork but dominated by white bucky quartz veins dipping vertically.
117 – 125.4m	Mathinna sediments
125.35 – 128.7m	Dylan’s West: Complex zone of shearing and breccia. See photos.

- 128.7 – 222.3m Mathinna sediments: Unaltered siltstones with occasional interbeds of dark laminated mudstones some with minor framboidal pyrite.
- 222.3 – 222.83m Sophies Lode? Strong puggy quartz fault breccia with core of bucky quartz becoming sheared siltstone down hole.
- 222.83 – 348m Mathinna sediments: Unaltered siltstones with occasional interbeds of dark laminated mudstones some with minor framboidal Pyrite.



Photo 2. Quartz Carbonate Veining from 46m to 47m in MDD002.

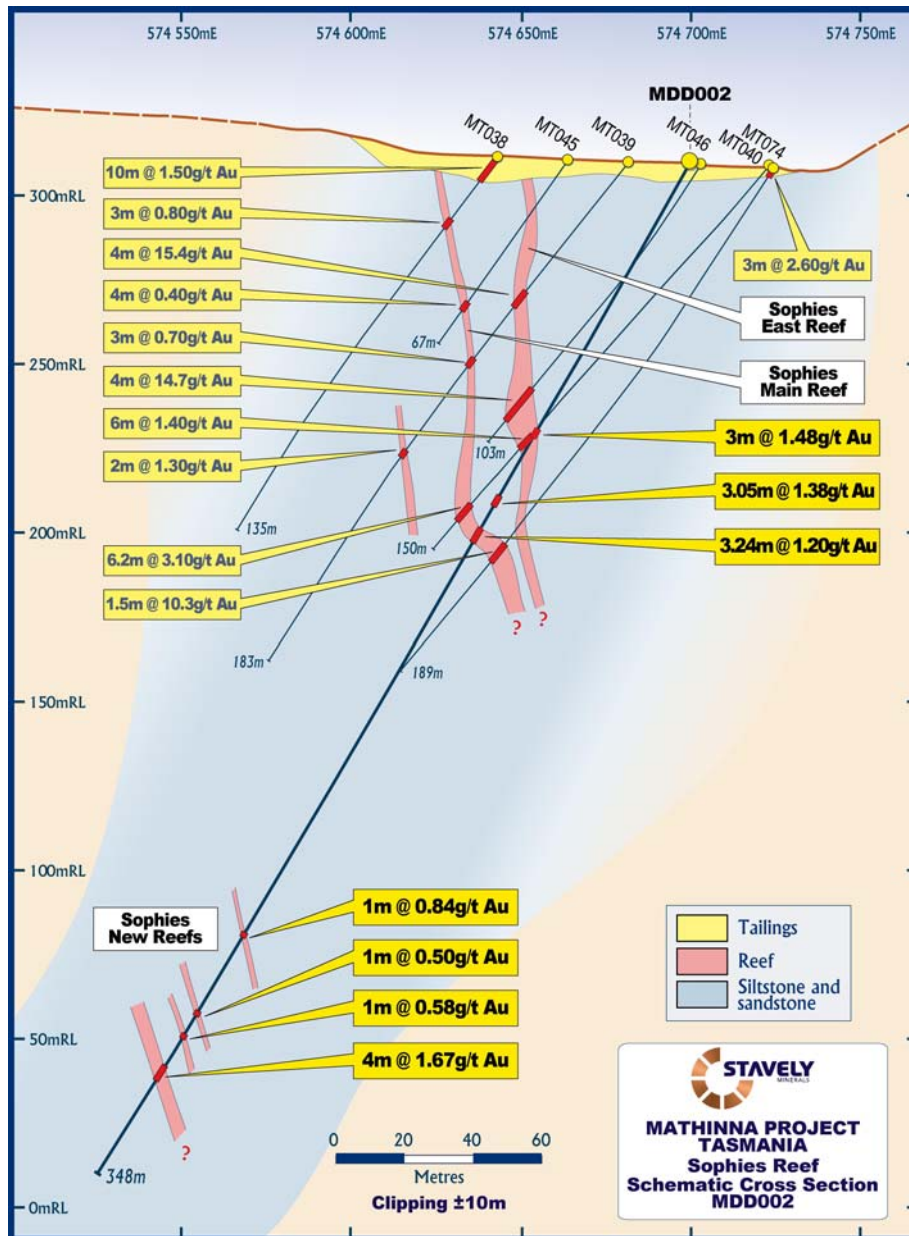


Figure 8. Drill Section – MDD002

Diamond Drill Hole - MDD003

On the 8th January 2020, drilling of diamond hole MDD003 commenced and was completed to a depth of 417.7m on 15th January 2020. MDD003 was drilled at a dip of -50° in a westerly direction (270°), which is perpendicular to stratigraphy. A mud rotary pre-collar was drilled through the tailings and unconsolidated surface sediments to a depth of 17.8m. Once bedrock was reached diamond drilling to produce HQ diameter core commenced. The drill section is presented in Figure 9.

The hole was designed to target extensions to the Sophies Lode, Main Reef and potential additional lodes in the Mathinna Sediments.

A summary log is presented below –

0 – 17.8m	PVC to 16m, HWT to 27m, No core.
17.8 – 123.6m	Mathinna sediments; fine grained siltstones with variable silica chlorite alteration associated with minor quartz veining.
123.6 – 123.7m	Puggy fault breccia with quartz veining +/- sulphides.
123.7 – 126.2m	Black slaty carbonaceous (?) mudstones with infrequent irregular quartz/carbonate veining. Unit is moderate to strongly deformed.
126.2 – 126.6m	Deformed siltstone.
126.6 – 126.65m	Puggy fault breccia with quartz veining +/- sulphides The interval between 123.6 to 126.65 is interpreted to be the structure/s of Sophies lode.
126.65 – 137.62m	Mathinna sediments; grey siltstones with interbedded black carbonaceous(?) mudstones
137.62 – 174.86m	Mainly black carbonaceous mudstones with siltstone from 143 to 148m
174.86 – 179.19m	Intensely sheared black slaty mudstones with interbedded subordinate siltstones. Whole section displays very deformed quartz/carbonate stockwork like veining +/- sulphides. This is interpreted to be the Main Reef and 15 to 20m further downhole than expected from the model.
179.19 – 204.48m	Grey unaltered siltstones.
204.8 – 218.4m	Siltstones with infrequent minor quartz carbonate veining.
218.4 – 221.6m	Zone of moderate to intense, irregular quartz carbonate veining with subordinate siltstone.
221.6 – 231m	Siltstones with infrequent minor quartz carbonate veining.
231 – 232.6m	Zone of moderate to intense, irregular quartz carbonate veining with subordinate siltstone.
232.6 – 236.7m	Siltstones with infrequent minor quartz carbonate veining.
236.7 – 238.8m	Intense quartz veining and fault/shear zone. "New Lode"? (Photo 3).
238.8 – 360.41m	Siltstones with variable minor quartz carbonate veining, several moderate quartz veins to 20cm, puggy fault gouges at 255.03m, 258.44m, 266.16m, 282m, 297.46m and 301.74m.
360.41 – 372.09m	Black laminated mudstone with minor quartz carbonate veinlets.
372.09 – 378.88m	Puggy fault breccia
378.88 – 417.7m	Grey foliated fine grained siltstone with zones of thin puggy fault gouge.



Photo 3. Intense quartz veining and fault/shear zone - “New Lode”? at 237.5m – 238.8m.

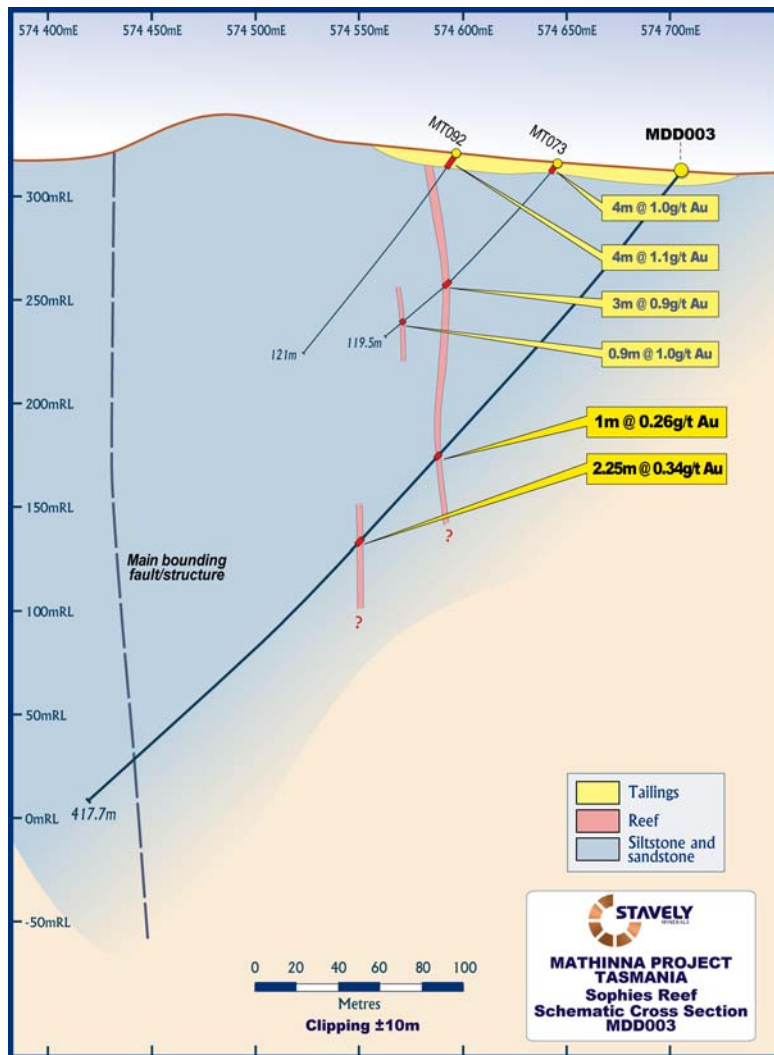


Figure 9. Drill Section – MDD003

Diamond Drill Hole - MDD004

On the 16th January 2020, drilling of diamond hole MDD004 commenced and was completed to a depth of 218.7m on 20th January 2020. MDD004 was drilled at a dip of -65° in a westerly direction (270°), which is perpendicular to stratigraphy. A mud rotary pre-collar was drilled through the tailings and unconsolidated surface sediments to a depth of 22.7m. Once bedrock was reached diamond drilling to produce HQ diameter core commenced. The drill section is presented in Figure 10.

The hole was designed to target extensions to the Dylan's Lode and the Sophies East and West Lodes.

A summary log is presented below –

0 – 22.7m	PVC to 6.1m, PCD to 22.7m, HWT to 36m – no core.
22.7 – 63.1m	Mathinna sediments; fine grained siltstones with variable carbonate and chlorite alteration associated with minor quartz veining.
63.1 – 86.70m	Intercalated siliceous, laminated siltstone with laminated chert beds.
86.70 – 104.84m	Siltstone with white bucky quartz veining and minor carbonate veining.
104.84 – 105.23m	Very fine sandstone with numerous hairline to 1mm-thick veins of pyrite, some with quartz+carbonate cores. Also present considerable pyrite veinlets that cut a quartz carbonate veinlet and hairline quartz veinlets.
105.23 – 124.0m	Dark grey foliated siltstone with frequent 3-4mm thin planar quartz carbonate veinlets on cleavage.
124.00 – 137.9m	Very sheared, black carbonaceous mudstone with minor interbedded siltstone.
137.9 – 162.8m	Dark grey siltstone with infrequent minor hairline quartz carbonate veinlets on cleavage.
162.8 – 218.7m	Mudstone with interbedded siltstone.

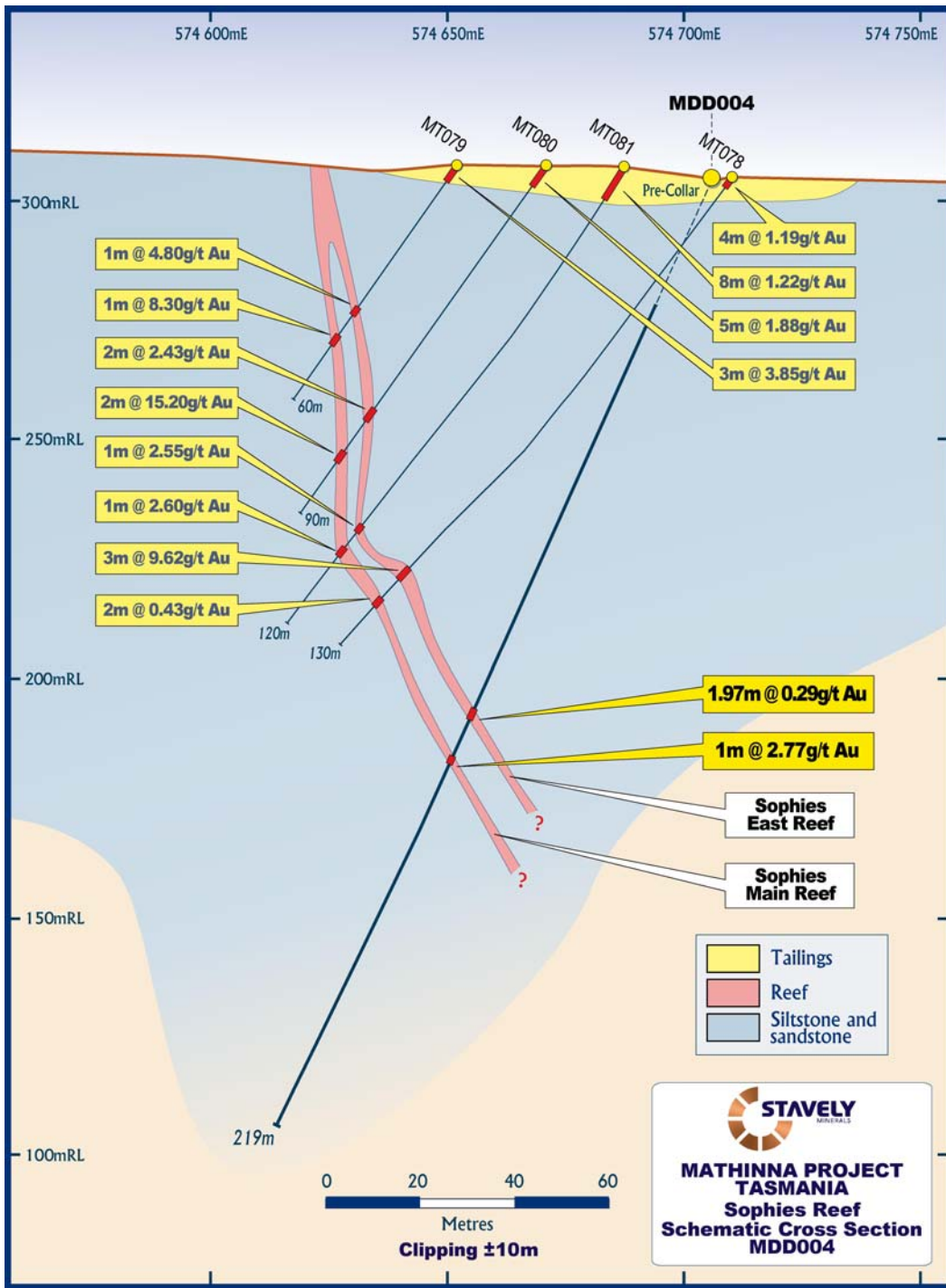


Figure 10. Drill Section – MDD004.

Diamond Drill Hole - MDD006

On 10 February 2020, drilling of diamond hole MDD006 commenced and was completed to a depth of 390.7m on 17 February 2020.

MDD006 was drilled at a dip of -55° in a westerly direction (265°), which is perpendicular to stratigraphy. A mud rotary pre-collar was drilled through the tailings and unconsolidated surface sediments to a depth of 457m. Once bedrock was reached diamond drilling to produce HQ diameter core commenced.

This hole was a stratigraphic hole to test for structures. It was not anticipated that any lodes would be intercepted. A summary log is presented below –

0 – 45m	Pre-collar.
45 – 100.48m	Interbedded grey siltstones and black mudstones with variable frequent minor quartz carbonate veining particularly in mudstones, infrequent strong bucky veining with minor vugs and moderate sulphide mineralisation and rare pyritic veinlets. Mudstones host moderately frequent puggy faults and small shears.
100.48 – 104.14m	Complex sheared fault zone including brecciated mudstone and quartz with strong disseminated very fine grained pyrite, olive grey brecciated siltstone with strong disseminated very fine grained pyrite, zone of interbedded siltstone and brecciated carbonaceous mudstone/quartz with very fine grained pyrite disseminated throughout, quartz carbonate vein breccias and minor puggy partings.
104.14 – 114.5m	Interbedded black mudstone and siltstone.
114.5 – 114.8m	Faulted mudstone with quartz fragments and disseminated sulphides.
114.8 – 180.2m	Mathinna sediments consisting of variable beds of sandstone with interbedded siltstone, sandstone with interbedded mudstone, and siltstone with interbedded mudstone. Strong quartz carbonate sulphide veining (sub breccia) in siltstone from 128.5 to 138.6m and a laminated quartz sulphide vein with silica/chlorite/carbonate alteration halo from 174.8 to 175.2m.
180.2 – 180.4m	Small sheared fault zone of mudstone and minor quartz fragments and minor pug.
180.4 – 186m	Siltstone with interbedded mudstone.
186 – 187.1m	Sheared siltstone and mudstone with minor pug.
187.1 – 198.3m	Siltstone with moderate buck quartz veining from 196m.
198.3 – 199.4m	Sheared and puggy siltstone with fragmented veining.
199.4 – 206.2m	Siltstone with moderate buck quartz veining.
206.2 – 207.1m	Quartz vein breccia with puggy fault gouge.
207.1 – 226.3m	Siltstone with moderate veining from 218.4 to 222.1m.
226.3 – 226.4m	Puggy fault gouge with quartz fragments.
226.4 – 263.9m	Beds of siltstone, sandstone and mudstone with localised minor veining.
263.9 – 266.75m	Moderately silica, chlorite carbonate altered sandstone with moderate veining.
266.75 – 267.4m	Quartz vein breccia with minor pug and sulphides.

- 267.4 – 267.8m Sandstone with minor interbedded mudstone.
- 267.8 – 270.6m Moderately silica, chlorite carbonate altered sandstone with strong veining ending in a 1 cm puggy fault gouge.
- 270.6 - 289.5m Weakly altered sandstone with minor veining at first.
- 289.5 – 289.95m Black mudstone.
- 289.95 – 291.9m Weakly sheared siltstone.
- 291.9 – 294m Sheared mudstone/Quartz breccia.
- 294 – 299m Weakly sheared altered siltstone.
- 299 – 299.15m Quartz vein breccia with minor sulphides.
- 299.15 – 299.5m Sheared, altered siltstone with a puggy “matrix”.
- 299.5 – 303.7m As above with strong and frequent, irregular “bunchy” veining with sulphides on quartz/siltstone margins.
- 303.7 – 305.7m As above with black mudstone as country rock.
- 305.7 – 306.1m Sheared and puggy, brecciated mudstone with quartz fragments.
- 306.1 – 308.5m Quartz vein breccia with horizons of sulphidic mudstone.
- 308.5 – 311.1m Sheared and broken mudstone with minor quartz/carb veining.
- 311.3 – 311.36m Band of 3 bucky quartz chlorite veins with internal puggy parting in central vein.
- 311.36 – 311.7m Sheared and broken mudstone
- 311.7 – 312.2m Sheared and puggy siltstone with fragmented quartz.
- 312.2 – 312.8m Mottled grey quartz chlorite vein with included wall-rock.
- 312.8 – 313.3m Sheared and broken siltstone with minor veining.
- 313.3 – 313.5m Quartz vein breccia with included wall-rock.
- 313.5 – 314.5m Dark grey sandstone with unclassified pale grey spotting.
- 314.5 – 314.8m Quartz vein breccia with included wall-rock.
- 314.8 – 317.8m Sheared, interbedded sandstone/mudstone with veining.
- 317.8 – 318m Quartz chlorite sulphide vein.
- 318- 318.6m Sheared mudstone with quartz.
- 318.6 – 318.8m Competent siltstone and veining. Unit has sharp thin puggy upper and lower contacts.
- 318.8 – 319.4m Sheared mudstone with quartz.
- 319.4 – 320.2m Siltstone and quartz breccia becoming un-brecciated stockwork.
- 320.2 – 322.9m Moderately sheared siltstone with occasional “clasts” of quartz. Puggy irregular lower contact.
- 322.9 – 324.6m Siltstone with quartz stockwork.
- 324.6 – 324.7m Puggy fault breccia.
- 324.7 – 325.3m Sheared quartz siltstone breccia
- 325.3 – 326m Quartz carbonate chlorite vein with sheared siltstone margins sub para to core.
- 326 – 326.7m Mudstone with strong quartz stockwork.
- 326.7 – 332.9m Moderately sheared siltstone.
- 332.9 – 356.5m Undeformed slaty grey siltstone.
- 356.5 – 360.4m Dark olive grey, weak pervasive chlorite altered siltstone with evenly disseminated very fine grained pyrite.
- 360.4 – 363.3m As above with frequent clots to veins of quartz and very thin pyritic veinlets.

- 363.3 – 366m Black fine grained sandstone with 50% quartz vein breccia and minor sulphides. Sharp planar lower contact.
- 366 – 366.6m Dark olive grey, weak pervasive chlorite altered sandstone.
- 366.6 – 369.4m As above with strong bucky to mottled grey quartz/chlorite/sulphide veining.
- 369.4 – 369.5m Strong puggy fault gouge with lithic and quartz fragments interpreted to be the second “slide”.
- 369.5 – 370.5m Black fine grained sandstone with buck to mottled grey quartz vein breccia with sulphides.
- 370.5 – 372m As above with vein breccia becoming more included with wall-rock.
- 372 – 376.4m Weakly sheared grey sandstone.
- 376.4 – 376.65m Quartz vein breccia with internal parting.
- 376.65 – 379m Weakly sheared grey sandstone.
- 379 – 379.6m Strong quartz vein with minor pyrite.
- 379.6 – 380m Very weakly sheared grey sandstone.
- 380 – 380.3m Quartz vein breccia with minor pyrite.
- 380.3 – 383.8m Grey sandstone.
- 383.8 – 385.2m Quartz veining with minor pyrite.
- 385.2 – 390.7m Grey sandstone with infrequent minor veining.

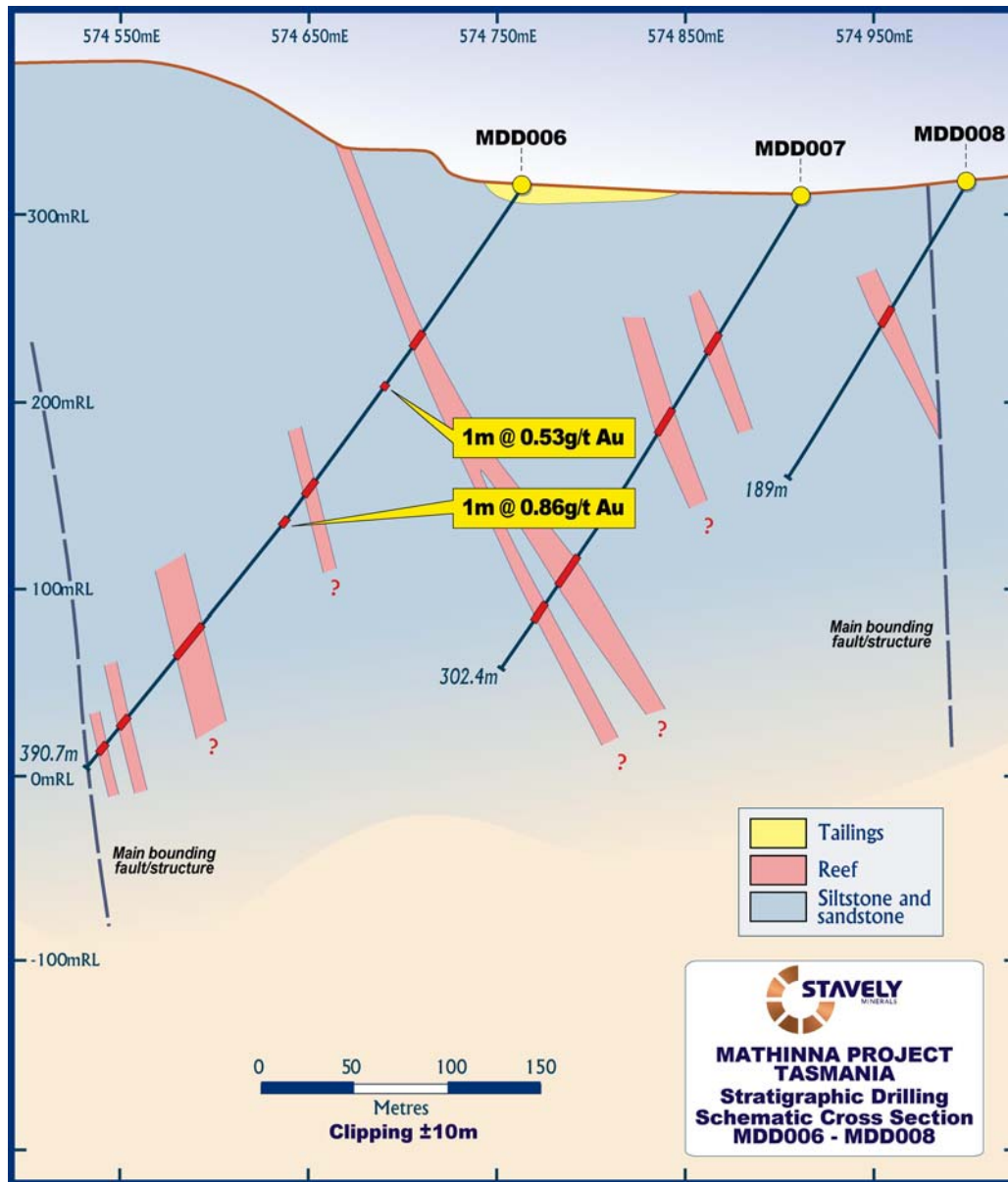


Figure 11. Drill Section MDD006 – MDD007

Diamond Drill Hole - MDD007

On 27 January 2020, drilling of diamond hole MDD007 commenced and was completed to a depth of 302.4m on 3 February 2020.

MDD007 was drilled at a dip of -60° in a westerly direction (265°), which is perpendicular to stratigraphy.

A mud rotary pre-collar was drilled through the tailings and unconsolidated surface sediments to a depth of 9m. Once bedrock was reached diamond drilling to produce HQ diameter core commenced.

This hole was a stratigraphic hole to test for structures. It was not anticipated that any lodes would be intercepted. A summary log is presented below –

0 – 69.2m	Grey to light olive grey, fine grained siltstone with variable selective silica, carbonate, chlorite alteration halos around infrequent irregular/ptygmatic quartz carbonate veins and veinlets (V1), crosscut by frequent planar quartz carbonate +/- sulphides veins (V2).
69.2 – 69.3m	Sheared fault with minor pug.
69.3 – 71.6m	Altered siltstones as previous with rare veining
71.6 – 72m	Sheared fault with weak pug.
72 – 77.4m	Altered siltstones as above with small puggy shears from 76.15m
77.4 – 77.8m	Massive pug with sheared lithic fragments.
77.8 – 82.8m	Altered siltstone as previous.
82.8 – 83.05m	Quartz carbonate vein breccia with a 10cm pervasive alteration halo.
83.05 – 88.1m	Altered siltstone as previous with smaller vein breccias as above at 84.35, 85.2 and 87.2m.
88.1-121.57m	Altered siltstone as previous with minor bucky quartz veins at 88.98, 90.24, 97.88m and narrow (14cm) stockwork 90.24m. Pyrite in sparse hairline quartz +carbonate veinlets and trace pyrite in wallrock enter after 95m.
121.57-173m	Interbedded grey siltstones and dark grey mudstone showing in particular in the siltstones a pressure-solution slaty cleavage producing a sub-mm scale “tiger striping” that may be confused with fine bedding laminations, distinguished by lenticular style. Local zones of significant to intense quartz+/-white carbonate veining occur at 137.5-138.47, 144.14-144.51, 149-149.60, 154-155.57, 155.87-157.82, 158.32-158.44, 159.06-161.15m. Veins vary in style between bucky white quartz, tension gashes, folded and partly sheared veins and brecciated veins, and in colour from grey to white. Multiphase veining is clearly evident. The significantly veined areas have been variously silicified. Very little chlorite and no “ankerite” occurs in these zones.
173 – 221m	Dark grey siltstone with interbedded fine-grained sandstone and minor quartz carbonate veining becoming less frequent down hole.
221 – 232m	Black mudstone with increasing minor quartz carbonate veining.
232 – 250m	Grey siltstone with rare interbeds of black mudstone with reducing minor veining.
250 – 286.2m	Black mudstone with frequent finely laminations (interbeds) of grey siltstone and strong veining of variable styles.
286.2 – 302.4m	Grey siltstone with very infrequent minor quartz carbonate veining.

EXPLORATION ACTIVITIES

No exploration could be undertaken by Stavely Tasmania on the licence for the period 22nd July 2020 to 21st July 2021 due to the COVID-19 pandemic travel restrictions.

DISCUSSION OF RESULTS

Three diamond drill holes (MDD002 to MDD004) were previously designed to test the potential extensions of the historical mine area (Figure 12). The extensional drilling identified lode style gold mineralisation in the projected locations and included a number of intervals containing small amounts of visible gold.

Significant mineralised zones (using the 30g Fire Assay method) included:

MDD002	3m at 1.48 g/t gold from 90m
	3.05m at 1.38 g/t gold from 113.95m ¹
	3.24m at 1.20 g/t gold from 126m
	1m at 0.84 g/t gold from 266m
	1m at 0.5 g/t gold from 292.5m
	1m at 0.58 g/t gold from 300m
	4m at 1.67 g/t gold from 312m
MDD003	1m at 0.26 g/t gold from 181.2m
	2.25m at 0.34 g/t gold from 237.65m
MDD004	1.97m at 0.29 g/t gold from 121.9m
	1m at 2.77 g/t gold from 133.4m

The individual sample repeatability using the 30g fire assay methods available in Tasmania was poor. As a result, anomalous samples from MDD002 were sent to Perth for check analysis using the PhotonAssay method that analyses a larger sample of 500g.

The individual check assays using the PhotonAssay method varied from the original 30g fire assay (FA) results by up to +420% (0.32 g/t using FA repeated at 1.66 g/t using PhotonAssay) and the overall mineralised zones were up to 51% higher using the larger (and more representative) PhotonAssay method (MDD002 113.95m to 117m - 3.05m at 1.38 g/t using FA methods repeated at 2.09 g/t using PhotonAssay).

Clearly assay variability of this magnitude is unusual and needs to be investigated along with the low-grade assays returned for intervals where visible gold was observed.

Individual sample results from MDD002 using the PhotonAssay method identified that the gold distribution in a number of the samples was heterogeneous, indicating the presence of nuggety coarse gold. This could go

¹ Denotes interval where visible gold was observed.

part of the way to explain why the very small (30g) fire assay methods available in Tasmania have not resulted in higher grade results.

A preliminary structural analysis of drill core from MDD001 and MDD002 was conducted by Dr Robert Findlay. This analysis is expected to assist in the planning of new target areas and for structural repetitions of the New Golden Gate mineralisation. The report, including aspects of folding and cleavage, vein relationships and geometries is presented in Appendix 4.

MDD006 and MDD007 were drilled as part of fence of three holes drilled across the favourable structural corridor to test along strike from the old working determine if there are any further new structures/ shoots which host gold mineralisation.

The favourable structural corridor is considered to be well constrained on the western side by intense deformation in the Golden Hinges adit to the west of the New Golden Gate Mine. The eastern edge of the corridor is less clear but would include the Dylans Reef zone. The eastern portion of the favourable structural corridor is obscured by tailings and/ or alluvium.

The drill holes were planned to test the entire width of the prospective structural corridor within EL19/2018 (Figure 12). 3D modelling indicated that Planned Hole 1 (MDD006) would intersect the western slide, however the hole was extended as it did not reach this slide by the planned depth of 250m (Figure 13 & 14).

It was anticipated that a turbiditic sequence of shale, siltstone and sandstones will be intersected in the drilling. At the New Golden Gate Mine, the reefs appear to be hosted in the north to north-northeast striking faults which splay off north-northwest striking faults (specifically the steeply west-southwest dipping main and second slides). The main slide has been projected to continue to the south into the area of interest (Figure 12). It was expected that one or more structurally emplaced discrete high-grade quartz+minor sulphide (predominantly pyrite and arsenopyrite) reefs would be intersected by the drilling.

Drill hole MDD006, which was targeting the western bounding fault/ structure, did intercept a strong puggy fault gouge with lithic and quartz fragments interpreted to be the second "slide" at 369.4m to 369.5m.

These holes have provided a significant dataset of excellent structural information that will help to target further exploration both at Mathinna and along the structural trend which extends for more than 30km from Tower Hill in the south to Alberton in the north.

Both the drill holes did identify previously unknown "reefs" which generally consisted of quartz breccia with minor quartz – sulphide veining (Photo 1). In MDD006, the strong quartz carbonate sulphide veining (sub breccia) in siltstone from 128.5 to 138.6m did return a low grade gold intercept of 1m @ 0.53 g/t Au from 137.55m. Also in MDD006, a siltstone with moderate veining from 218.4 to 222.1m returned an anomalous intercept of 1m @ 0.86 g/t Au from 219.58m.

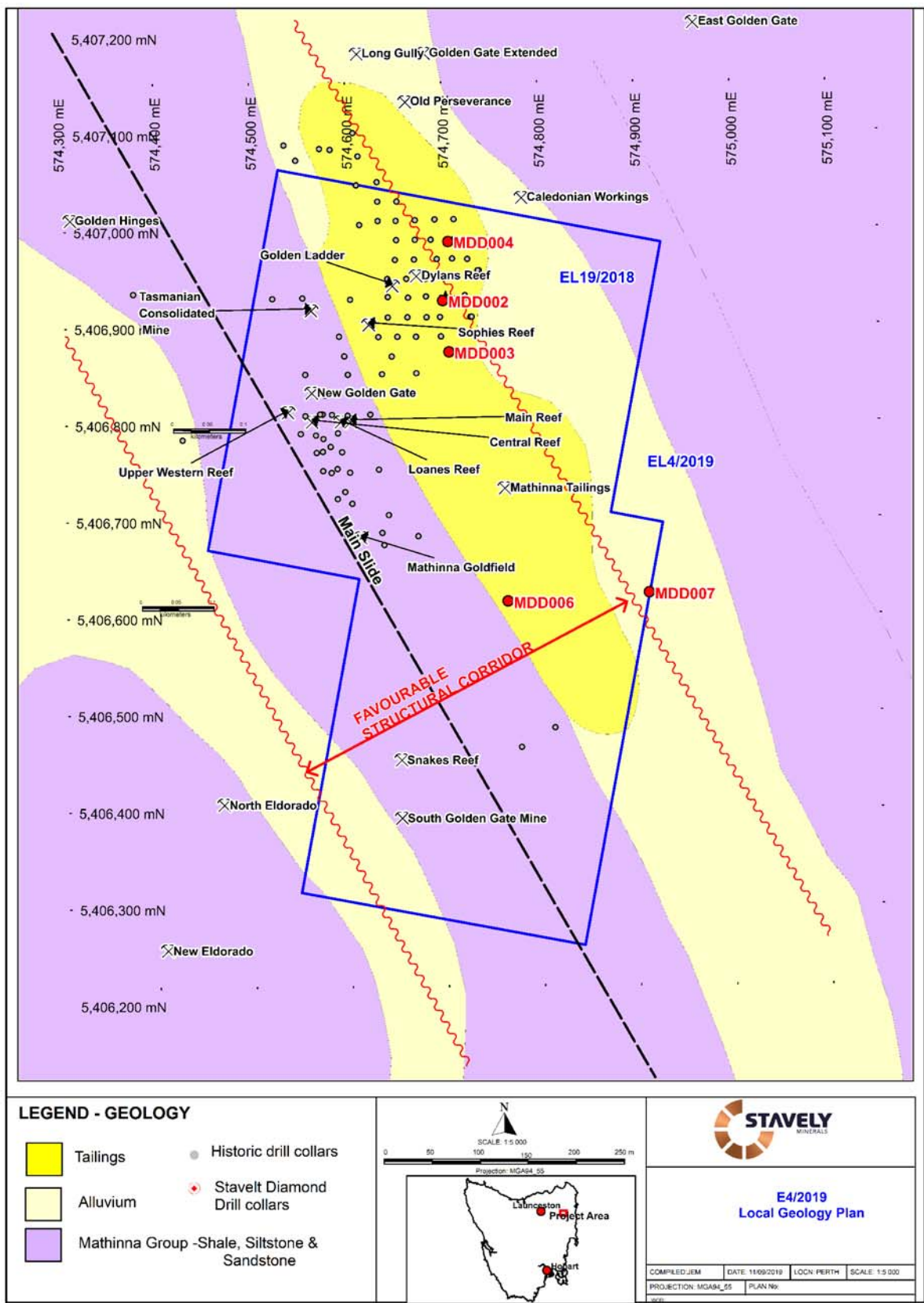


Figure 12. Mathinna Project – Prospect Geology with Drill Hole Locations.

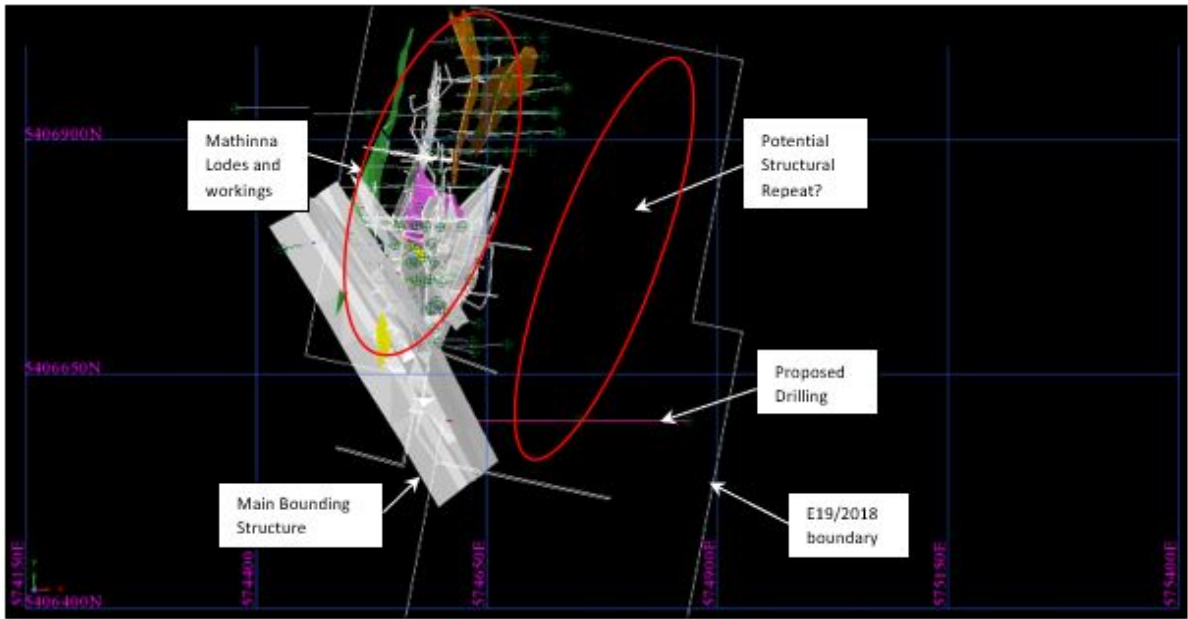


Figure 13. Plan view of Mathinna showing existing workings and lodes and proposed drilling.

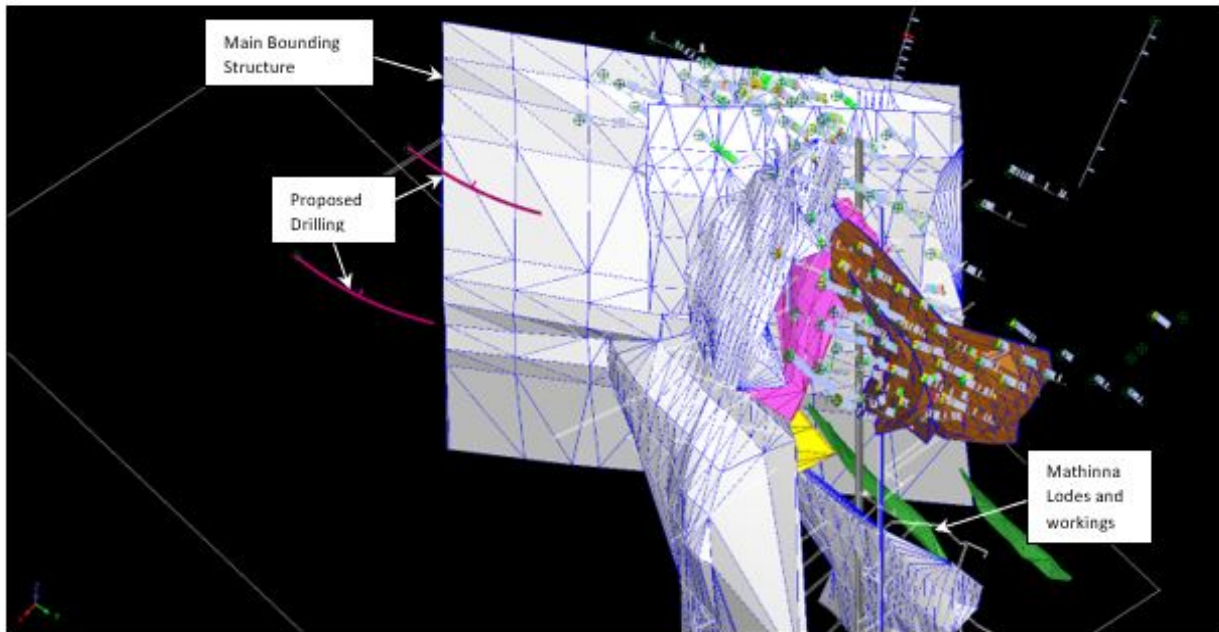


Figure 14. Oblique View of Mathinna showing Existing Workings and Lodes and Proposed Drilling.

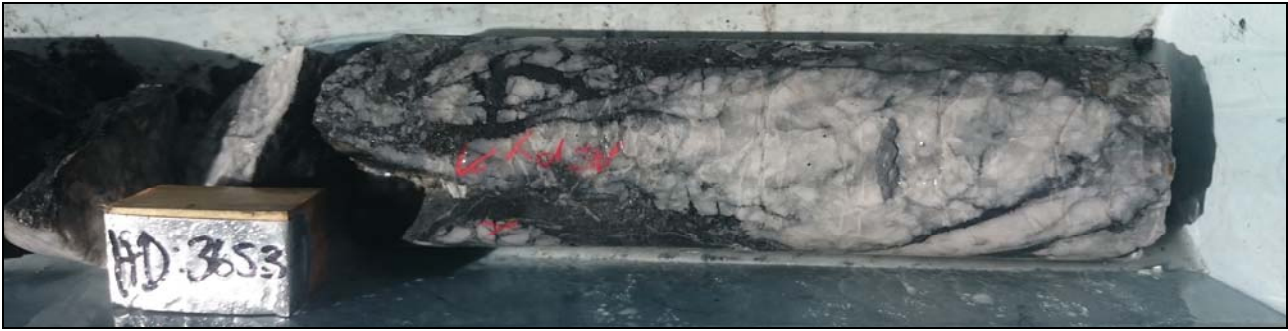


Photo 2. MDD006 - Quartz Vein Breccia and Minor Sulphides at 365.3m.

CONCLUSION

Three diamond holes (MDD002, MD3 & MDD004) were previously drilled to target potential extensions to the known lodes at Mathinna were successful in identifying lode style gold mineralisation in the projected locations. The intersection of visible gold in drill hole MDD002 highlights the potential of the Mathinna Project, however the sampling undertaken to date and the relatively small fire assay sample size available in the Tasmanian assay laboratory may not be representative of the project's potential. The check assays using the larger PhotonAssay method has identified the existence of coarse gold, highlighting the need for larger assay sample size to be representative. Further investigation needs to be undertaken to better understand the potential of the system.

The geoscientific objectives to be tested by drill holes MDD006 and MDD007 included:

- Testing for potential structural repeats to the east of the Mathinna lodes and workings in an area where no previous drilling has been undertaken
- Test for possible shallow high-grade reefs to the south of the New Golden Gate Mine in an area where there has been no previous drilling

The drill holes have provided a significant dataset of excellent structural information that will help to target further exploration both at Mathinna and along the structural trend which extends for more than 30km from Tower Hill in the south to Alberton in the north.

Both the drill holes did identify previously unknown "reefs" which generally consisted of quartz breccia with minor quartz-sulphide veining. In MDD006, the strong quartz carbonate sulphide veining (sub breccia) in siltstone from 128.5 to 138.6m did return a low- grade gold intercept of 1m @ 0.53 g/t Au from 137.55m. Also in MDD006, a siltstone with moderate veining from 218.4 to 222.1m returned an anomalous intercept of 1m @ 0.86 g/t Au from 219.58m.

FUTURE EXPLORATION

Individual sample results from MDD002 using the PhotonAssay method identified that the gold distribution in a number of the samples was heterogeneous, indicating the presence of nuggety coarse gold. This could go part of the way to explain why the very small (30g) fire assay methods available in Tasmania have not resulted in higher grade results.

Additional samples have been selected for further check analysis which will be collected and freighted to Perth for analysis, however given the current COVID-19 travel restrictions, the follow-up sampling and detailed investigation of the results will be delayed.

The co-funded drill holes (MDD006 and MDD007) have provided a significant dataset of excellent structural information that will help to target further exploration.

Further drilling will be planned but due to the current COVID-19 pandemic it is uncertain as to when this will occur.

ENVIRONMENTAL MANAGEMENT

A baseline environmental survey was previously conducted by Pitt & Sherry over E19/2018 in August 2019. No threatened vegetation communities under the Nature Conservation Act 2022 were mapped within the lease area. Native vegetation communities mapped within the lease area include Eucalyptus amygdalina forest on the mudstone on the western side with a small Acacia dealbata forest in the north east corner.

Drill holes MDD002, MDD003, MDD004 and MDD006 were located in an area covered by the Mathinna tailings (Figure 15). Drill hole MDD007 was located in an existing clearing along the track around the tailing dam (Figure 15). No clearing was required.

There are no inhabited buildings in the vicinity of the proposed drilling and hence there were no noise pollution issues.

The entire worksite including drill rig, drill hole collar, and drill rod layout area was underlain by durable plastic to contain any fluid spillage or drill cuttings. Fuel was stored in the fuel truck. Where it was stored in containers they are underlain by plastic sheeting and a bund is constructed.

Drilling fluids were contained within sumps which will be dug adjacent to the drill pad on the downward side. Drains were dug to direct any accidental spills into the sump.

Subsequent to the completion of the drilling program, the holes have been plugged and capped. The drill sumps have been back-filled and the top soil has been replaced.



Photo 3. Drill Site for MDD003

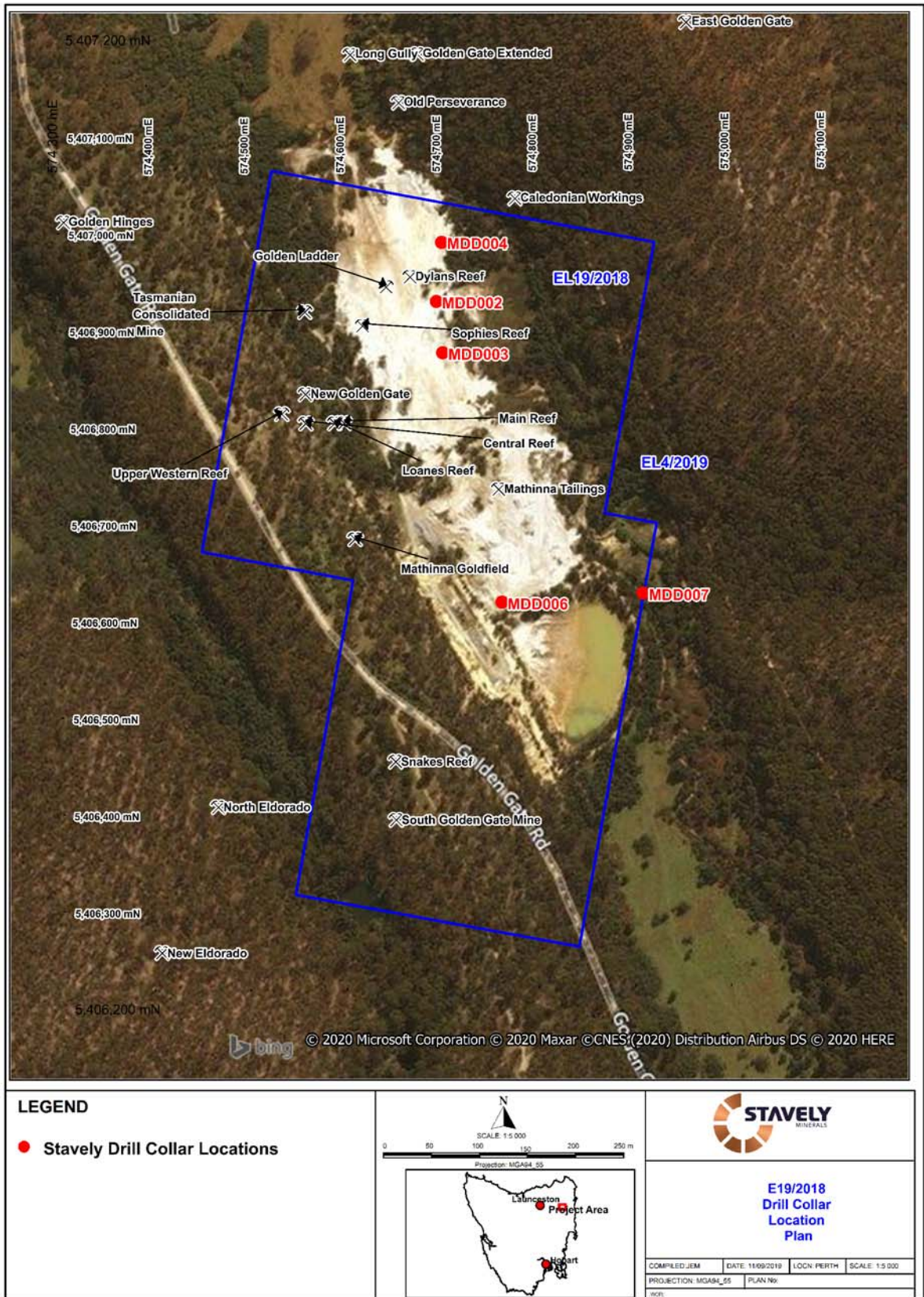


Figure 15. EL19/2018 Diamond Drill Locations Overlain on Satellite Image.