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NORTH STAWELL MINERALS LTD
ACN 633 461 453
ABN 84 633 461 453

October 29, 2020

North Stawell Minerals Ltd
September 2020 Quarterly Report

Highlights:

- Gold explorer North Stawell Minerals Ltd (NSM) listed on the ASX on 24 September, raising $20m via the offer of 40m shares at $0.50
- Extremely strong interest was received in the IPO which was well supported by a number of North American institutions as well as domestic Funds and High Net Worth investors.
- The Victor Smorgon Group and co-investors that own the Stawell Gold Mine hold a 66.7% stake at IPO, escrowed for two years
- Strategic ground position with a 550km^2 tenement package and 50km of strike on the Victorian Stawell Mineralised Corridor, immediately adjacent to the +5moz Stawell Gold Mine
- North Stawell to leverage over 40 years of exploration activity across its tenements, including 160,000m of historical drilling data in its possession
- Large exploration program planned over the next two years including 75,000m of drilling
- Exploration underway with initial 10,000m RC/Diamond program scheduled to start late November at Wildwood

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Shares in gold explorer North Stawell Minerals Ltd (ASX:NSM) (North Stawell or the Company) commenced trading 24th of September on the ASX following the successful completion of its $20m Initial Public Offer (IPO). At the Offer Price the Company's market capitalisation was $60m.

The IPO had very strong support from new investors including North American institutions, local Funds, High Net Worth investors and the general public. The Company also welcomes the long term and ongoing support of a number of private investors in North Stawell who, as a result of their investment in the adjacent Stawell Mine, have a strong understanding of the gold potential of Stawell region.

Immediately upon listing, the exploration team commenced preparing for NSM's first drilling programme at Wildwood: speaking to landowners, drilling contractors and finalising the initial drilling programme. The exploration team has been expanded, the historical exploration data review was stepped up and community relations activities started. Post Quarter end the Company contracted DeepCore Drilling P/L to commence a 10,000m RC/DD program at the Wildwood Prospect on the Wildwood basalt dome.

North Stawell's Chief Executive Officer Steven Tambanis said:

"We are delighted to have completed our IPO listing on 24 September and welcome our new investors to North Stawell Minerals.

We have commenced exploration activities and plan to begin drilling late November at Wildwood. We regard the Stawell Mineralised Corridor to be one Australia's most prospective and historic gold provinces and have a target rich environment to explore over the next two years with an experienced and enthusiastic team.

We have a wealth of targets on our acreage, many already demonstrated to be gold mineralised. We look forward with great anticipation to commencing what we believe to be one of the largest drilling campaigns contemplated by a junior explorer in recent times."

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Regional Setting:

Stawell is acknowledged to be a corner point of Victoria's 'Golden Triangle', responsible for over 66 million ounces of combined historical gold production. NSM considers that the Stawell Zone and Victoria is underexplored relative to other Australian states and is pleased to see increasing investment in Victorian gold exploration as it will lead to the discovery of new orebodies. A good example is Stawell Gold Mines having discovered 600,000 Oz of gold at its Magdala basalt dome over the past three years through innovative exploration work and a commitment to drilling.

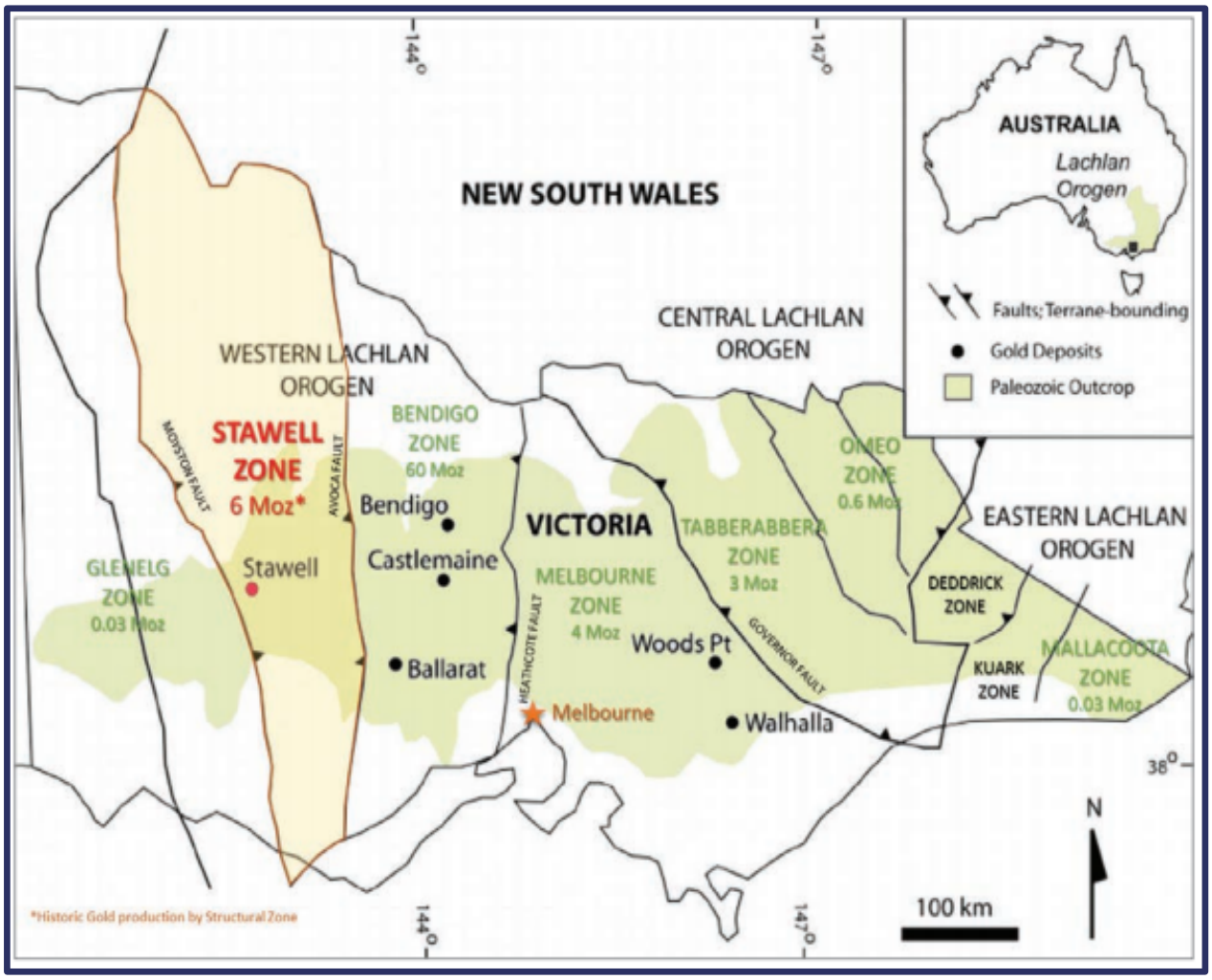


Figure 1. Map of Victoria showing the nine structural zones and historic gold production. Source: Australian Journal of Earth Sciences (adapted & annotated).

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Exploration Strategy

NSM believes there is potential for the discovery of large gold mineralised systems under cover, using Stawell Gold Mine's Magdala orebody as an exploration model to test 51km of northerly strike extension of the Stawell Mineralised Corridor.

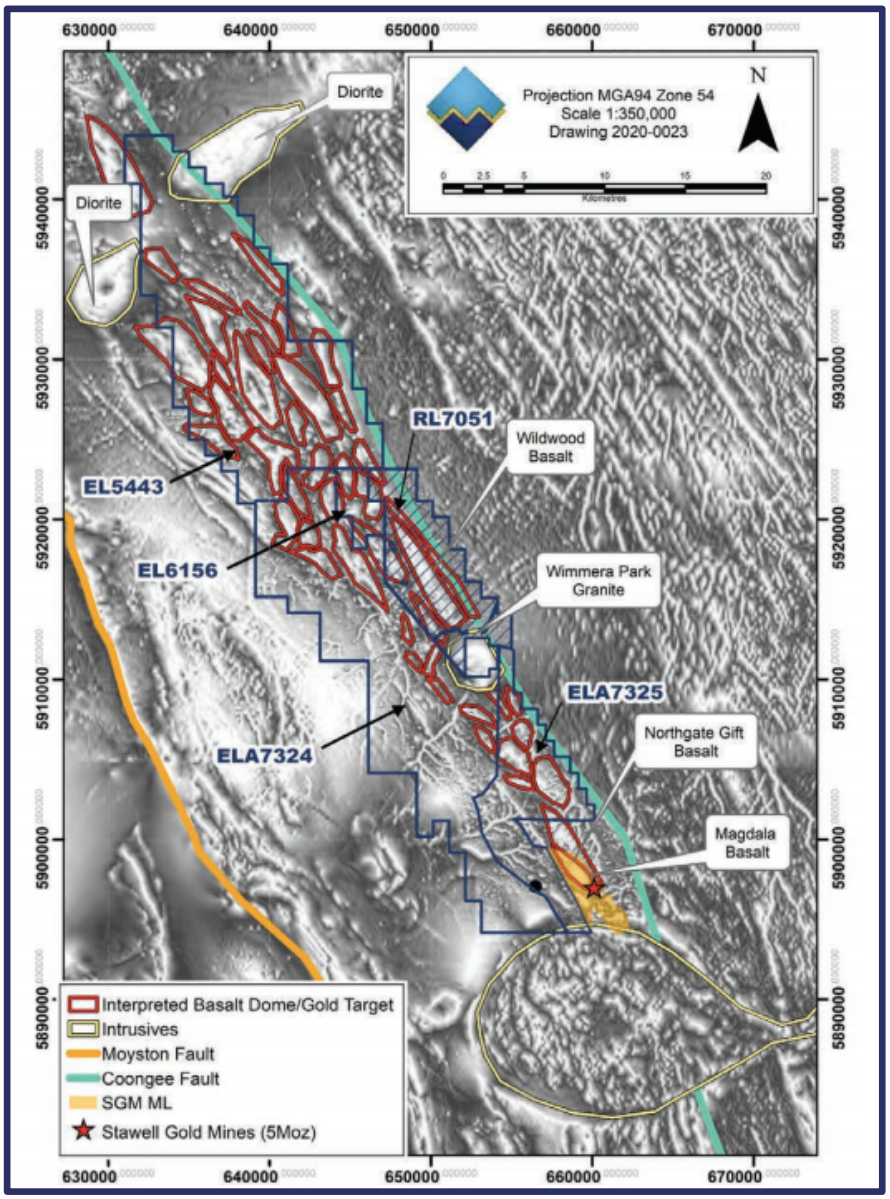


Figure 2. TMI TILT image overlaid with tenement boundaries and key prospects (red) in relation to the Stawell Gold Mine. The target basalt dome structures show in the magnetic image. The tenure covers the NNW trending Stawell Mineralised Corridor

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Seventeen interpreted basalt domes are part of 43 gold targets within the tenement package, some up to 6km in length. For reference, the Magdala basalt dome, host to the Stawell Gold Mine is 1.5km in length.

The opportunity before the Company is large. Historic exploration to the north of the Stawell Mine identified a number of prospects with potential to host significant gold mineralisation. The Company has inherited a significant geological database consisting of Magdala mine geology and regional datasets. We believe this data provides a huge competitive advantage to our technical team, who will continue compiling and extending this knowledge base with updated geophysics and geochemistry to improve exploration targeting resolution.

Discovering gold is what is driving our business thus, excluding the costs of the Offer, over 80% of the $20m raised in the IPO is earmarked for exploration - of this, over 50% will be invested in drilling activity. The Company has budgeted for 75,000m of drilling in the coming two years – one of the largest programs of any ASX listed junior explorer.

Immediate Priority Targets

Reconnaissance work has commenced on the ground for RL7051, EL5443 and EL6156. Preliminary work includes geophysics, geochemical sampling and mapping. The Wildwood permit (RL7501) is the Company's initial focus and a JORC Inferred Mineral Resource Estimate of 55koz has already been identified. The geology and mineralisation of Wildwood basalt dome is interpreted to be similar to that of Stawell Gold Mine's Magdala basalt dome.

On the Wildwood permit the Company has planned an initial 10,000m RC/DD drilling campaign to begin in November. The program is designed to test for down-plunge extensions of known mineralised lodes on the Wildwood Dome, an additional westerly lode and a potential southerly extension. It is expected the drilling activity will run well into the March 2021 Quarter.

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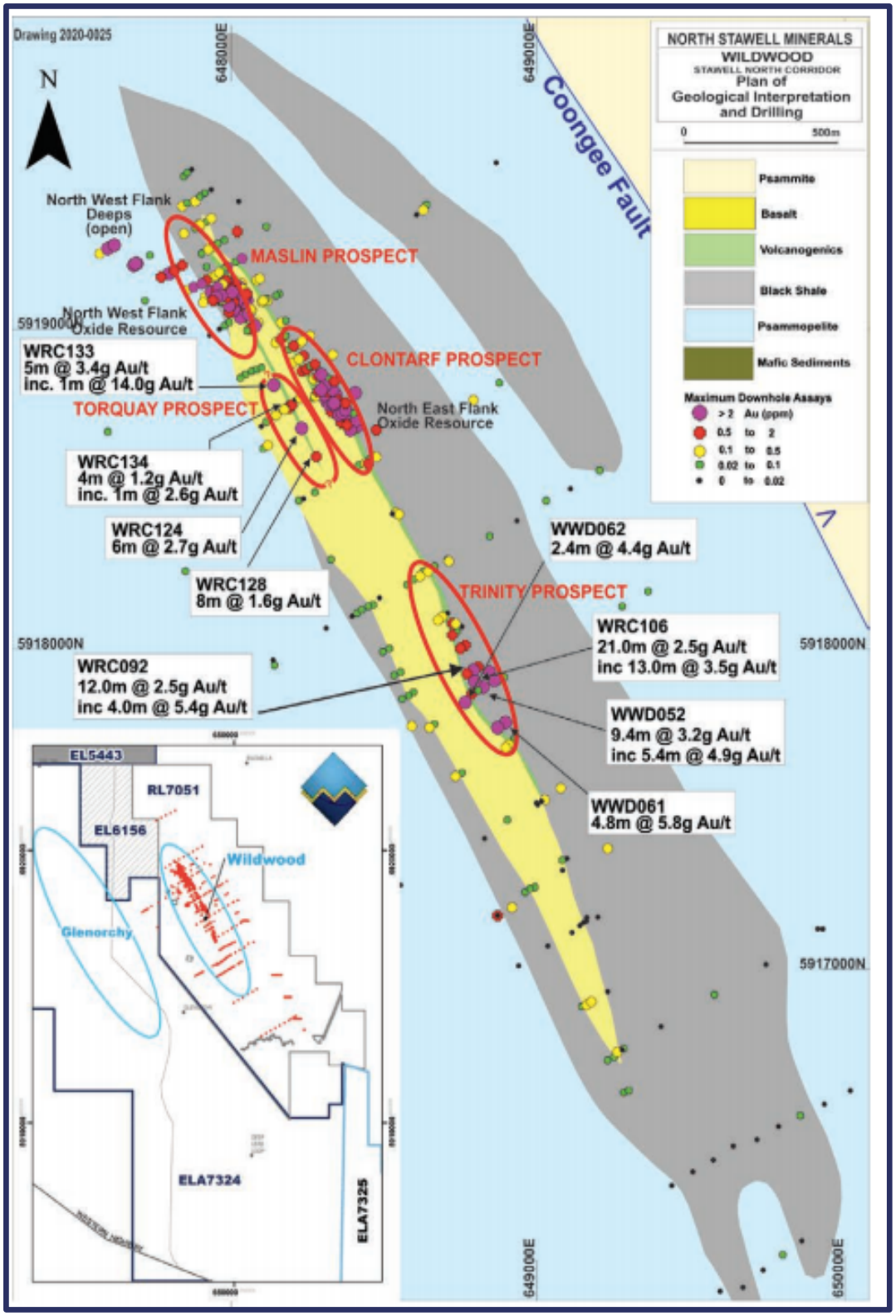


Figure 3. Historic drill plan over the Wildwood Prospect showing geology and gold distribution

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Details of Production and Development Activities

Since NSM was officially listed on 24 September, 6 days prior to the end of the first quarter, there were no production or development activities for the first quarter while initial preparations were made for reconnaissance work on RL7051, EL5443 and EL6156.

Use of Funds Statement

Since NSM was officially listed on 24 September, 6 days prior to the end of the first quarter, NSM did not incur any material operating expenses/expenditures during the period.

Any Related Party Payments

No related party payments were paid out in the quarter.

NSM Tenure summary

Tenement	Number	Area (km^2)	Initial NSM holding	Earn-in potential
Wildwood	RL7051	49.9	51%	90%
Barrabool	EL5443	194	51%	90%
Glenorchy	EL6156	18	100%	N/A
Total Granted Tenement Area		261.9		
Deep Lead Application[1]	ELA7324	209	51%	90%
Germania Application[1]	ELA7325	82	51%	90%
Total Tenement Application Area		291		
Total Tenement and Tenement Application Area		**552.9**		

[1] Tenement Applications, subject to granting

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This Announcement is authorised for release by Steven Tambanis, Chief Executive Officer of North Stawell Minerals Ltd

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For further information visit the website: https://www.northstawellminerals.com/
Visit us on LinkedIn: https://www.linkedin.com/company/north-stawell-minerals/
Visit us on Twitter: https://twitter.com/NorthStawell

Wildwood Inferred Mineral Resource Estimate and Competent Person's Statement

The Wildwood JORC Inferred Mineral Resource Estimate is extracted from the report entitled "Prospectus" created on 22 September 2020 and is available to view on www.asx.com.au. The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of Mineral Resource Estimates, 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.

The information that relates to Exploration Targets, Exploration Results, Mineral Resources and Ore Reserves is based on information compiled by Mr Brad Robinson, a Competent Person who is a Member of The Australian Institute of Mining and Metallurgy (AusIMM) and an employee of North Stawell Minerals. Mr Robinson 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' (2012 JORC Code). Mr Robinson consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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APPENDIX 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity	
NORTH STAWELL MINERALS LTD	
ABN	Quarter ended ("current quarter")
84 633 461 453	**30 SEPTEMBER 2020**

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (……months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers		
1.2	Payments for		
	(a) exploration & evaluation		
	(b) development		
	(c) production		
	(d) staff costs		
	(e) administration and corporate costs	(2.6)	(2.6)
1.3	Dividends received (see note 3)		
1.4	Interest received	2.6	2.6
1.5	Interest and other costs of finance paid	(1.2)	(1.2)
1.6	Income taxes paid		
1.7	Government grants and tax incentives		
1.8	Other (provide details if material)		
1.9	**Net cash from / (used in) operating activities**	**(1.2)**	**(1.2)**
2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment		
	(d) exploration & evaluation		

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Consolidated statement of cash flows		Current quarter $A'000	Year to date (.....months) $A'000
	(e) investments		
	(f) other non-current assets		
2.2	Proceeds from the disposal of:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment		
	(d) investments		
	(e) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
2.6	**Net cash from / (used in) investing activities**	**0**	**0**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	20,000	20,000
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options		
3.4	Transaction costs related to issues of equity securities or convertible debt securities		
3.5	Proceeds from borrowings	53	53
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material) - ANZ Credit Card Security Collateral	(30)	(30)
3.10	**Net cash from / (used in) financing activities**	**20,023**	**20,023**

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Consolidated statement of cash flows		Current quarter $A'000	Year to date (……months) $A'000
4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	0	0
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1.2)	(1.2)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	0	0
4.4	Net cash from / (used in) financing activities (item 3.10 above)	20,023	20,023
4.5	Effect of movement in exchange rates on cash held	0	0
4.6	**Cash and cash equivalents at end of period**	**20,022**	**20,022**

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter $A'000	Previous quarter $A'000
5.1	Bank balances	20,022	
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**20,022**	

6.	Payments to related parties of the entity and their associates	Current quarter $A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	0
6.2	Aggregate amount of payments to related parties and their associates included in item 2	0

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

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7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities	0	
7.2	Credit standby arrangements	0	
7.3	Other (please specify) – Pre-IPO advance from Stawell Gold Mines Pty Ltd	1,150	
7.4	**Total financing facilities**	1,150	

7.5	**Unused financing facilities available at quarter end**	0
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.	
	Interest rate 1% per annum, Maturity of advance is at IPO. The entire advance has been entirely repaid as of the date of submission of this financial report.	

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	(1.2)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	0
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(1.2)
8.4	Cash and cash equivalents at quarter end (item 4.6)	20,022
8.5	Unused finance facilities available at quarter end (item 7.5)	0
8.6	Total available funding (item 8.4 + item 8.5)	20,022
8.7	**Estimated quarters of funding available (item 8.6 divided by item 8.3)**	8[1]
	Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.	
8.8	If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
	8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer: N/A	

[1] NSM was only listed on 24 September 2020 and has not yet begun its operating activities. Following the completion of the IPO and $20m capital raise the Company is adequately funded for the next 8 quarters (2 years) with the funds to be utilised as per the Use of Funds statement in the Company's Prospectus dated 29 July 2020 and released to the ASX on 22 September 2020. Per ASX Listing Rule 5.3.4 the Company will continue to provide updates on its Use of Funds in future Quarterly Activities Reports.

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8.8.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?
Answer: N/A	
8.8.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
Answer: N/A	

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Date: 29 October 2020

Authorised by: By the Board

.....

(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.