ASX Announcement
8 March 2017

Diamond drilling commences at Irvine gold prospect, western Victoria

- **Drilling of an 18-hole, 3,000m diamond drilling program commenced today (RD001)**
- **Drilling is targeting a potential depth extension to shallow oxide gold mineralisation discovered in air-core drilling in December 2016 (known as the Resolution Lode)**
- **The diamond drilling program is co-funded by a Victorian Government TARGET Minerals Exploration Initiative grant**

Navarre Minerals Limited (ASX Code: NML) (**Navarre** or **the Company**) is pleased to report the commencement of a 3,000m, 18-hole diamond drilling program at the Irvine gold prospect, part of its 100%-owned Stawell Corridor Gold Project, located 15kms south of Stawell in western Victoria (Figures 1 & 4).

The program is targeting potential depth and strike extensions to the recently discovered shallow oxide gold Resolution Lode. Drilling is planned for completion in May 2017 with first results expected by the end of April.

Ballarat-based Titeline Drilling Pty Ltd has been engaged to deliver the drilling program.

Navarre's Managing Director, Geoff McDermott, said:

"We are excited to commence drilling operations seeking to expand along strike and at depth the recent near-surface gold discovery known as the Resolution Lode, which has geological similarities to the 4 million ounce Magdala gold deposit at Stawell.

"Stawell-style gold orebodies are highly prized because the gold is fine-grained, more continuous and predictable, and extend to a greater depth (Magdala produced gold from surface to 1,640m) than gold mineralisation typically found at Victoria's other goldfields such as Bendigo and Ballarat.

"We appreciate the support of the Victorian Government with a co-funding grant awarded under the TARGET Minerals Exploration initiative, which gives us the opportunity to test our ideas, culminating in a 3,000m diamond drilling program.

"Based on encouraging results to date, and underpinned by a highly experienced geological team, Navarre has every reason to be encouraged and confident as we commence this important phase of the exploration process."

Navarre Minerals Limited
ABN 66 125 140 105

ASX Code: NML

Corporate Details

Issued capital:
173.9M ordinary shares
36.1M unlisted options

Directors & Management:
Kevin Wilson
(Non-Executive Chairman)

Geoff McDermott
(Managing Director)

John Dorward
(Non-Executive Director)

Colin Naylor
(Non-Executive Director)

Jane Nosworthy
(Company Secretary)

Shane Mele
(Exploration Manager)

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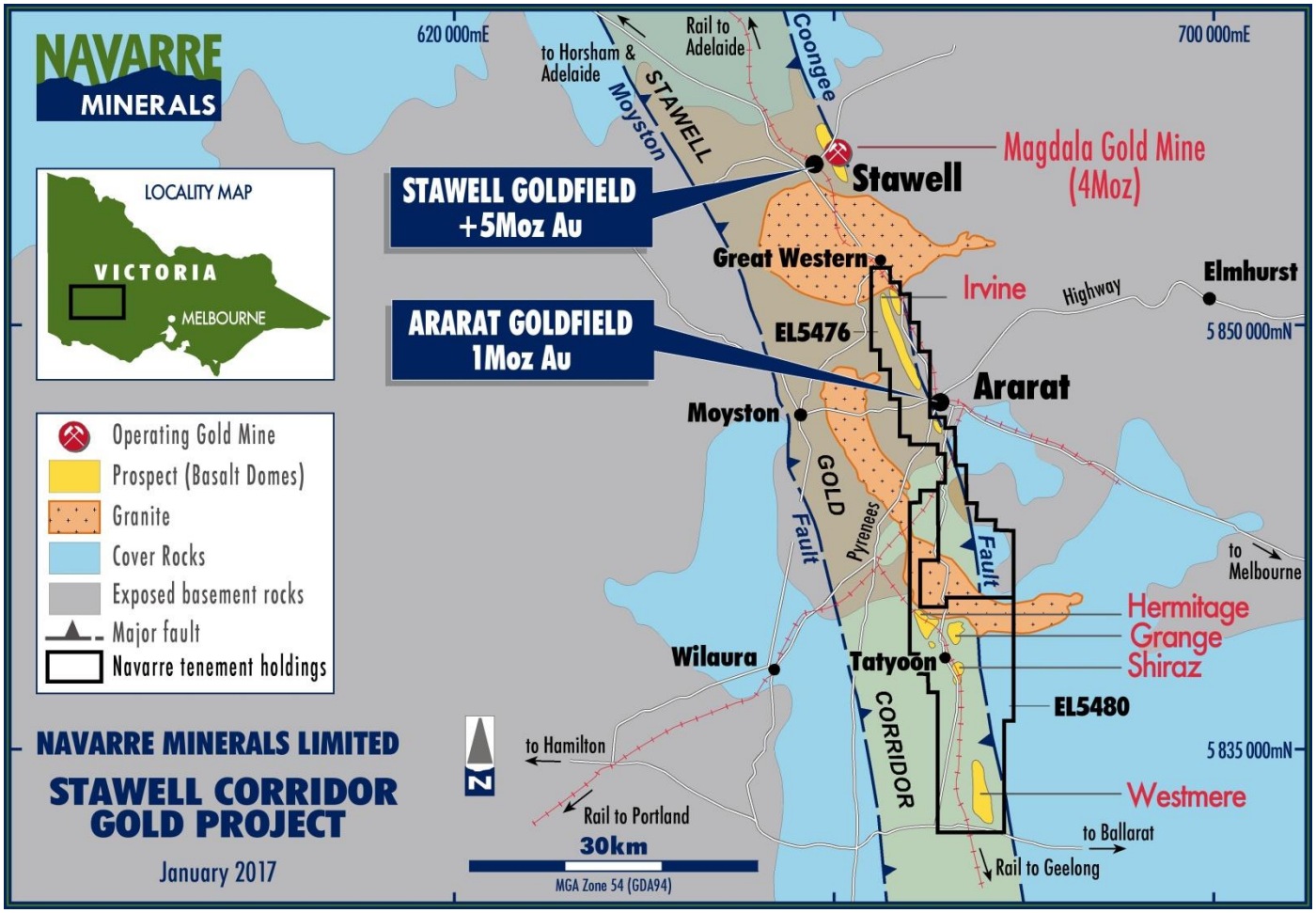


Figure 1: Stawell Corridor Gold Project location map.

Diamond Drilling Program

The diamond drilling program, comprising up to 18 diamond holes for approximately 3,000m of drilling, has been designed to test for the strike and depth continuity of the recently discovered Resolution Lode, part of the Irvine gold prospect (Figures 2 & 3). The main target area of the diamond drilling program is shown in a long projection (Figure 2).

The diamond drilling program follows a maiden 105 hole, 4,906m air-core (AC) drilling program which resulted in the discovery of significant oxide gold mineralisation from surface to an average depth of 45m (referred to as the Resolution Lode). The gold mineralisation occurs over a strike length of 800m and remains open along strike and at depth. Significant results, previously reported (see NML ASX releases of 1 & 15 December 2016 and 16 January 2017), from the initial AC drilling include:

- **6m at 6.3 g/t gold** from 66m (IAC018) including **1m at 24.6 g/t gold**
- **2m at 41.5 g/t gold** from surface (IAC018**)**
- **6m at 4.2 g/t gold** from 17m (IAC058)
- **4m at 2.2 g/t gold** from 25m (IAC054)
- **7m at 2.7 g/t gold** from 31m (IAC034)
- **12m at 1. 6g/t gold** from 48m (IAC027), including **1m at 12.6 g/t gold**
- **12m at 1.2 g/t gold** from 12m (IAC029) from a broader zone of **60m at 0.6 g/t gold** from surface

- **14m at 1.4 g/t gold** from 5m (IAC040)
- **11m at 1.4 g/t gold** from 56m (IAC043).

The Resolution Lode gold mineralisation dips steeply to the west and has horizontal widths of up to 30m at surface. Mineralisation widths reduce to approximately 5-10m at the base of oxidation where higher-grade un-oxidised mineralisation commences (e.g. IAC018 **6m at 6.3 g/t gold**).

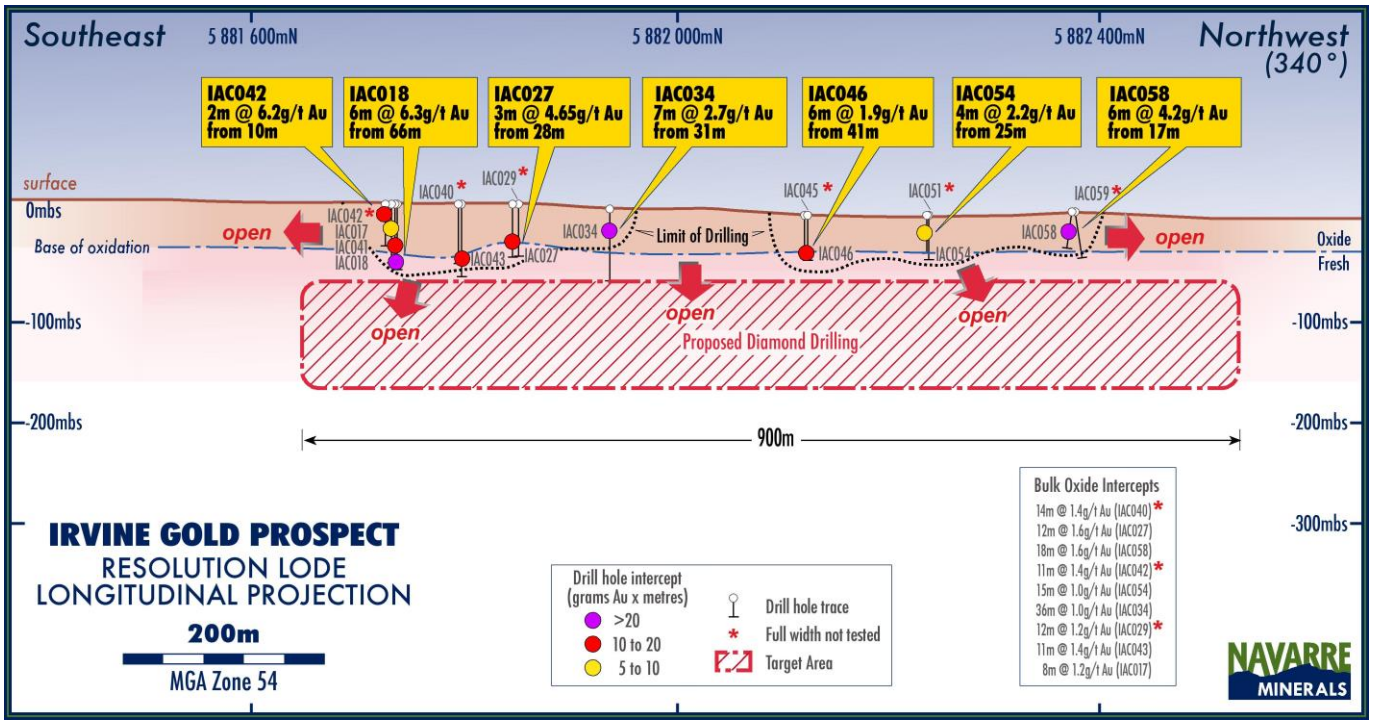


Figure 2: Longitudinal projection of the Resolution Lode showing recent AC drill intercepts and the area of the proposed diamond drill program (refer to Figure 3 for location of Resolution Lode).

The planned diamond drilling program is expected to comprise HQ size core (64mm diameter), which will allow for representative samples and data to be collected for:

- gold grade determination;
- geotechnical logging and rock strength;
- structural measurements;
- petrological examination;
- metallurgical sampling and test work; and
- twin holes of selected AC drill holes for validation purposes.

The program will consist of angled drill holes ranging in length from 150m to 250m, drilled along the 900m extent of the target area (Figure 2 above shows a plan of the recent AC drilling with the planned diamond drilling target area).

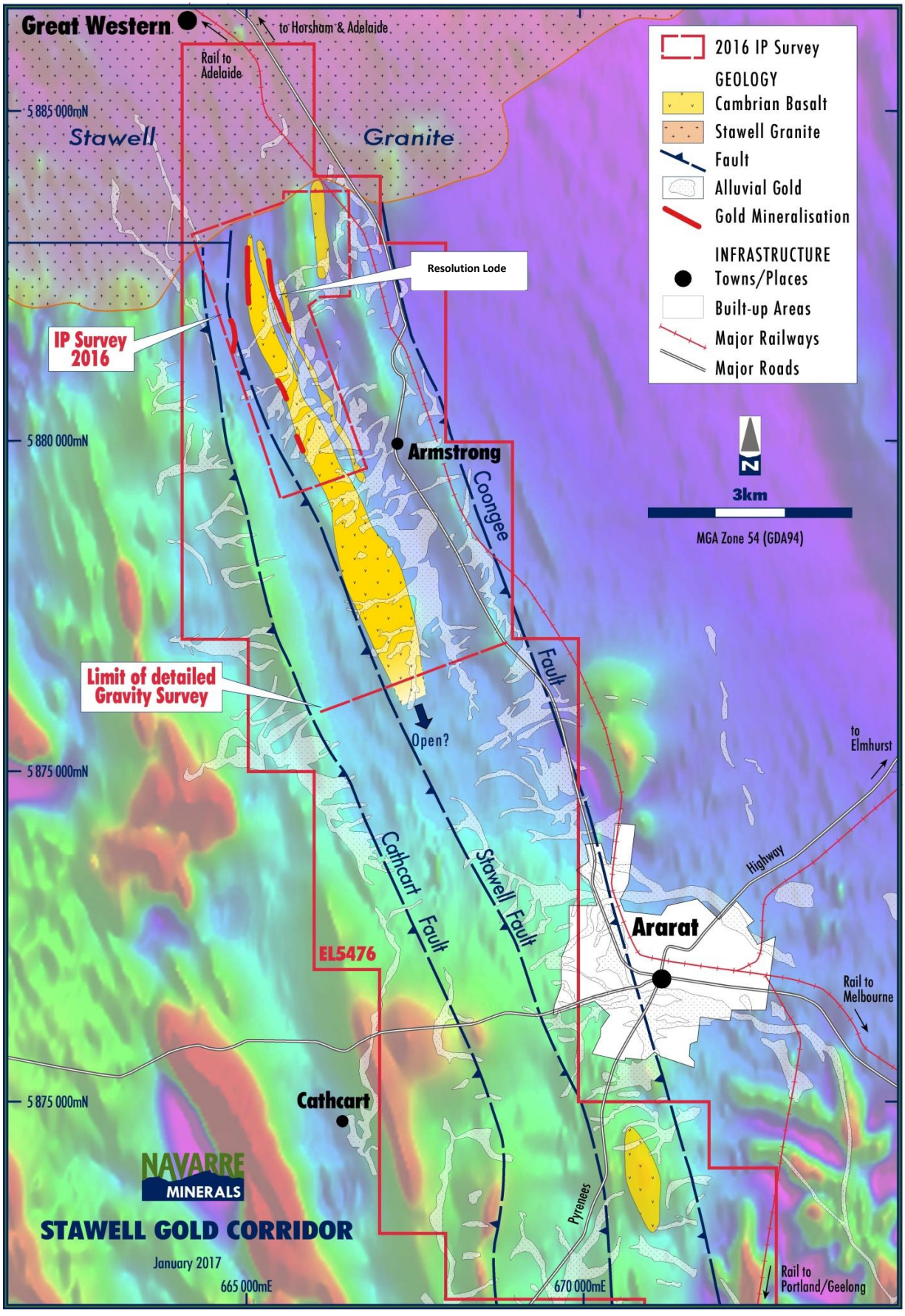


Figure 3: Geological interpretation of the Irvine basalt dome, location of the Resolution Lode and historic alluvial gold footprint of the 1Moz Ararat Goldfield



Figure 4: Resolution Lode drill site RD001

Background

The Stawell Corridor Gold Project comprises two exploration licences, Tatyoon and Ararat, which includes the historic Ararat Goldfield. It is located between 10 and 70 kms south-east of the Stawell Gold Mine which is owned by Navarre's largest shareholder, Kirkland Lake Gold Ltd. (Figure 1).

Approximately 6 million ounces of historic and modern gold production has occurred from Ararat and Stawell.

The Irvine prospect is located 15 kms south of Stawell's Magdala Gold Mine and was identified in 2015 (NML ASX release 12 June 2015). The prospect occupies the northern end of the Ararat Goldfield, which is estimated to have produced approximately 1 million ounces of gold, mainly from alluvial and deep-lead production during the period 1854 to 1925.

Production of primary hard-rock gold from the Ararat Goldfield was low, given the richness of the alluvial deposits, in contrast to the Stawell Goldfield, and is one of the reasons why Navarre is searching for economic primary gold mineralisation near the richest alluvial gold deposits.

The largest gold mine along the Stawell Corridor is the Magdala Gold Mine, which has produced gold from a deposit that has been mined to depths more than 1,600m below surface. Modern gold mining at Stawell has been continuous from 1982 until December 2016, with the Magdala gold deposit contributing more than 4 million ounces of the total 5 million ounces of gold produced to date from the Stawell Goldfield.

Gold mineralisation of the Stawell style occurs proximal to the margins of large basalt dome structures. The basalt structures are rigid and do not deform as much as the surrounding sediments. The deformation leads to the creation of voids, allowing quartz veining and gold mineralisation to form around the basalt margins.

The two main styles of mineralisation in the Magdala Mine at Stawell occur proximal to a basalt dome which is thought to control the location of gold mineralisation. The two styles of mineralisation can be broadly described as:

- *Basalt contact* mineralisation, which occurs in sediments overlying the basalt dome. Gold is in steep-dipping shear-hosted quartz veins and stockworks; and
- *Quartz reefs,* where mineralisation occurs in shear-hosted quartz veins and stockworks to the west of the basalt dome. Gold occurs as free gold in quartz and as associations with sulphides.

The Company completed an AC drilling program in mid-December 2016 testing the potential for the Irvine gold prospect to be an analogue of the multi-million ounce Magdala gold deposit located on the opposite side of the Stawell Granite in similar rocks to the north (Figure 1). The program was targeting the primary reef source to approximately 1 million ounces of alluvial gold production mined during the 19th century on the Ararat Goldfield.

The AC drilling program forms part of the work included in Navarre's TARGET co-funding agreement with the Victorian Government. The Victorian Government's TARGET grant funding, which was awarded to the Company during the June quarter 2016, will contribute approximately 50% towards the total cost of an expected $1.2 million exploration program at the Irvine gold prospect. The program comprises geophysics, AC and diamond drilling. Navarre has signed a funding agreement with the Victorian Government that includes milestones that will trigger the staged release of funds to Navarre.

- ENDS -

For further information, please visit www.navarre.com.au or contact:

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Competent Person Declaration

The information in this release that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Shane Mele, who is a Member of The Australasian Institute of Mining and Metallurgy and who is Exploration Manager of Navarre Minerals Limited. Mr Mele has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration, and to the activity which he is undertaking, 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 Mele consents to the inclusion in the release of the matters based on his information in the form and context in which it appears.

Forward-Looking Statements

This announcement contains "forward-looking statements" within the meaning of securities laws of applicable jurisdictions. Forward-looking statements can generally be identified by the use of forward-looking words such as "may", "will", "expect", "intend", "plan", "estimate", "anticipate", "believe", "continue", "objectives", "outlook", "guidance" or other similar words, and include statements regarding certain plans, strategies and objectives of management and expected financial performance. These forward-looking statements involve known and unknown risks, uncertainties and other factors, many of which are outside the control of Navarre and any of its officers, employees, agents or associates. Actual results, performance or achievements may vary materially from any projections and forward-looking statements and the assumptions on which those statements are based. Exploration potential is conceptual in nature, there has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource. Readers are cautioned not to place undue reliance on forward-looking statements and Navarre assumes no obligation to update such information.

About Navarre Minerals Limited:

Navarre Minerals Limited (ASX: NML) is an Australian-based resources company that is creating value from a portfolio of early to advanced stage gold and copper projects in Victoria, Australia.

Navarre is searching for gold deposits in the extension of a corridor of rocks that host the Stawell (~5 million ounce) and Ararat (~1 million ounce) goldfields. The discovery of outcropping gold at the Irvine prospect is a prime focus for the Company in 2017. This is located 15km south of the Stawell Gold Mine, currently on care and maintenance, which is owned by Navarre's largest shareholder and leading Victorian gold producer, Kirkland Lake Gold Ltd.

At the high-grade Tandarra Gold Project exploration work is targeting the next generation of gold deposits under shallow cover 40kms north of the 22 million ounce Bendigo Goldfield. Under a farm-out agreement, Catalyst Metals Limited is earning a 51% equity interest in Tandarra by spending $3 million over four years by advancing the project towards mineral resource status.

The Company is also targeting large VMS, porphyry-copper and gold deposits. The Western Victoria Copper Project captures multiple, largely untested targets in 130km of western Victoria's Stavely Arc volcanics.