NAVARRE MINERALS LIMITED

ABN 66 125 140 105

Half-Year Financial Report and Directors' Report
31 December 2019

Navarre Minerals Limited
ABN 66 125 140 105

Corporate Directory

Company
Navarre Minerals Limited
ABN 66 125 140 105
and subsidiary:
Black Range Metals Pty Ltd
ABN 31 158 123 687

Directors
Kevin Wilson (Chairman)
Geoff McDermott (Managing Director)
John Dorward
Colin Naylor

Company Secretary
Colin Naylor

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Auditor
RSM Australia Partners
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55 Collins Street
Melbourne Victoria 3000 Australia

Stock Exchange Listing
Australian Securities Exchange
ASX Limited
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525 Collins Street
Melbourne Victoria 3000 Australia
ASX Code: NML

Incorporated 30 April 2007
Victoria, Australia

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FORWARD LOOKING STATEMENTS

This Financial Report includes certain forward-looking statements that have been based on current expectations about future acts, events and circumstances. These forward-looking statements are, however, subject to risks, uncertainties and assumptions that could cause those acts, events and circumstances to differ materially from the expectations described in such forward-looking statements.

These factors include, among other things, commercial and other risks associated with the meeting of objectives and other investment considerations, as well as other matters not yet known to the Group or not currently considered material by the Group.

Navarre Minerals Limited
ABN 66 125 140 105

DIRECTORS' REPORT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

The directors present their report together with the consolidated financial statements of the group comprising Navarre Minerals Limited (variously the "Company", "Navarre" and "Navarre Minerals") and its subsidiary (together, the "Group") for the half-year ended 31 December 2019.

1. DIRECTORS

The names and details of the Company's directors in office during the half-year ended 31 December 2019 and at the date of this report are as follows. The directors were in office during the entire period unless otherwise stated.

Kevin Wilson	***Non-Executive Chairman*** (Independent)
Geoff McDermott	***Managing Director***
John Dorward	***Non-Executive Director*** (Independent)
Colin Naylor	***Executive Director*** (Non-Independent)

2. REVIEW OF OPERATIONS

Financial Results

The loss after tax of the Group for the half-year was $624,648 (31 December 2018: loss after tax of $472,661).

Summary of Operations

The Group maintained an active exploration program during the 6 months ending 31 December 2019 with the objective of identifying economic mineral deposits. The Group commenced its largest drilling program during the six months with approximately 9,000m of drilling completed from a 50,000m drilling campaign across its Victorian gold and copper properties.

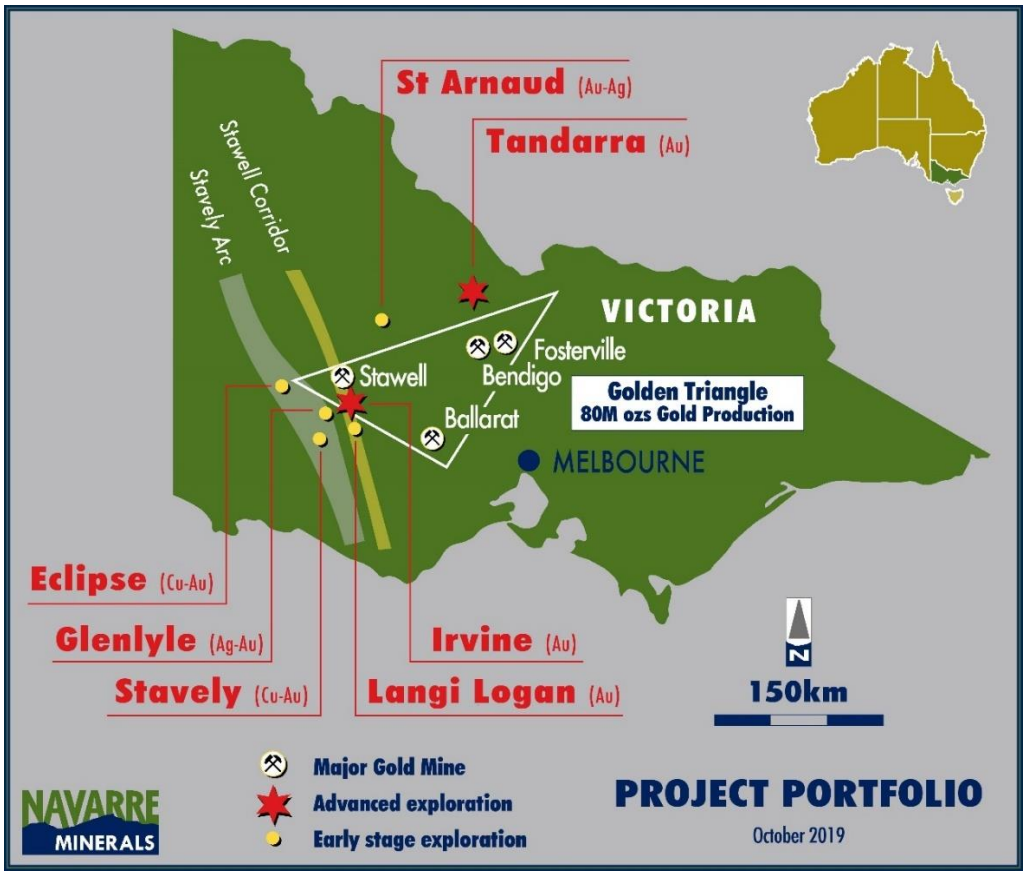

Figure 1: Location of Navarre's Victorian mineral projects

2. REVIEW OF OPERATIONS (cont.)

(a) Stawell Corridor Gold Project (ELs 5476, 5480, 6525, 6526, 6527, 6528, 6702, 6745, ELAs 6530, 6843 & 7125)

The Group has a dominant land position along 60km of strike of the prospective Stawell Gold Corridor, south on-strike of the five million-ounce Stawell Goldfield (Figures 1 & 2). The Group's 100%-owned Stawell Corridor Gold Project contains seven potential Stawell Magdala gold deposit analogues that the Group is systematically exploring from north to south.

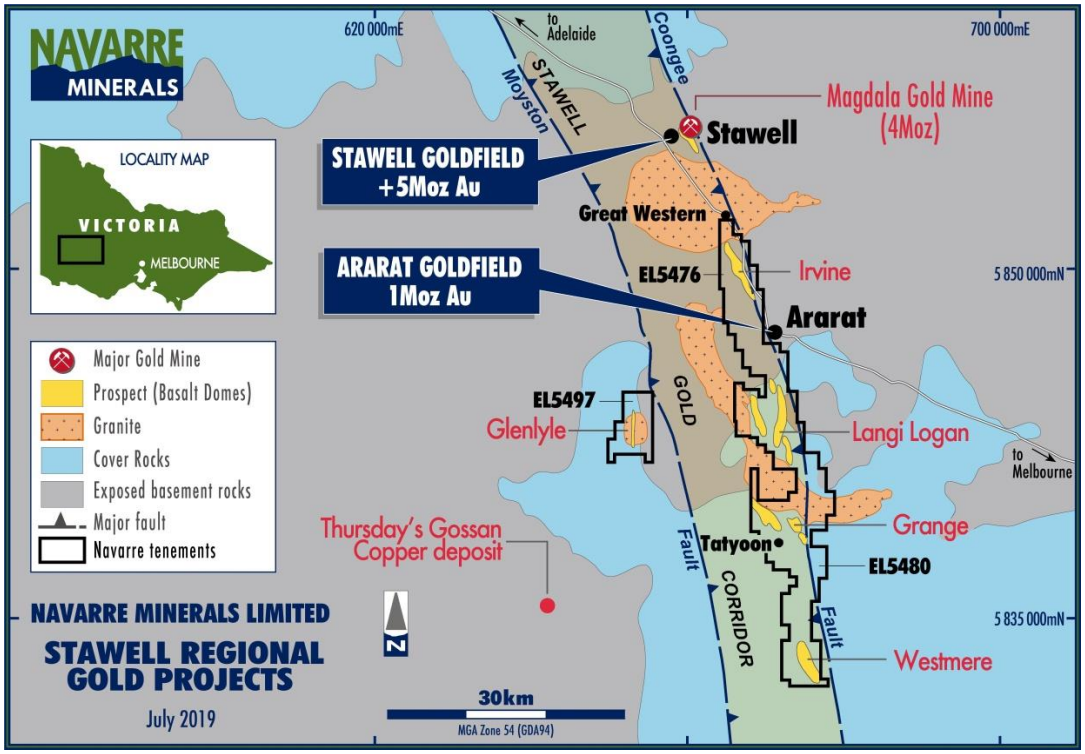

Figure 2: Location of Navarre's Stawell Gold Corridor projects and prospects

Irvine Gold Prospect (ELs 5476, 6525, 6526, 6527, 6528 and ELA 6530)

At the advanced Irvine gold prospect, 20km south of Stawell (Figure 1 & 2), two diamond drill rigs commenced a 6,000m campaign targeting the down-plunge extensions of high-grade gold mineralisation at the Resolution and Adventure lodes. At the end of December 2019, approximately 2,089m or 35% of the diamond drilling program had been completed.

Significant drill intersections from 3 completed diamond holes reported to the ASX on 20 December 2019, include:

- **4.75m @ 3.5g/t Au** from 206.9m downhole, including 1.15m @ 9.8g/t Au in AD001
- **4.6m @ 3.5 g/t Au** from 327.3m downhole in AD002

Langi Logan Gold Prospect (ELs 5476, 5480, 6702, 6745 and ELAs 6843, 7125)

The Langi Logan gold prospect is the next major basalt dome south of Irvine and 40km south of Stawell. The prospect is concealed under recent unmineralised cover and has yielded several shallow, high-grade gold results of up to 33.6 g/t gold[1] in early phase exploration (Figures 1-3).

[1] See Navarre's ASX release 12 February 2019

DIRECTORS' REPORT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

2. REVIEW OF OPERATIONS (cont.)

A 10,000m reconnaissance air-core (AC) drilling program to assess the 12km strike length of the Langi Logan basalt dome for potential Stawell analogues commenced during the half year with assay results for the first 42 AC holes in 3,283m of drilling reported to the ASX on 20 December 2019. Significant gold intersections reported include (Figure 3):

- **1m @ 21.2 g/t Au** from 32m down hole (IAC120) – Target A
- **2m @ 0.9 g/t Au** from 40m down hole (IAC121) - Target A
- **4m @ 1.0 g/t Au** from 21m down hole (IAC119) – Alluvial Gravels near Target D

A highlight intersection of **1m @ 21.2 g/t Au** on the basalt contact on Target A expands shallow high-grade gold mineralisation over a strike length of 650m (Figure 3).

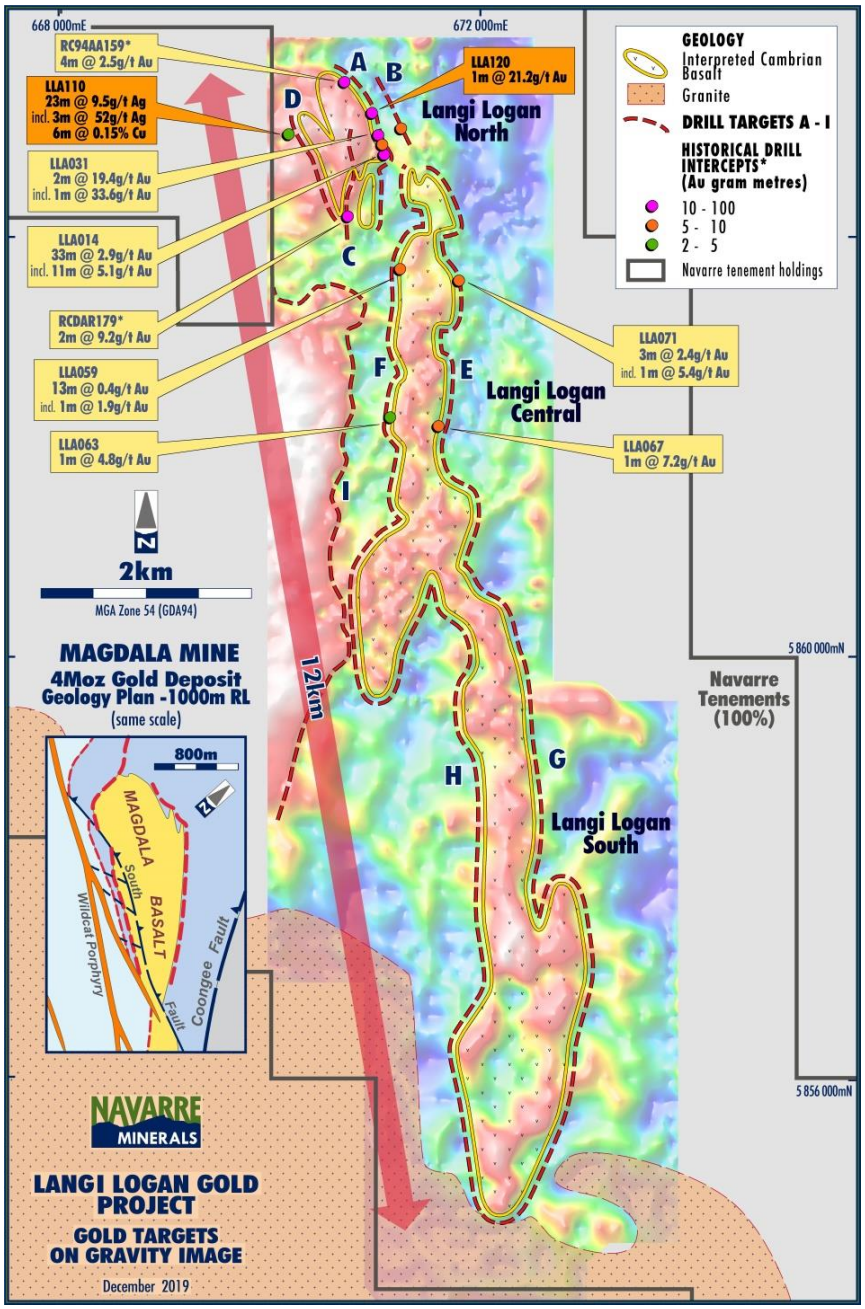

Figure 3: Gravity image showing recent AC drill results (reported previously) and geological interpretation.

2. REVIEW OF OPERATIONS (cont.)

The results also include an anomalous broad 23m interval of gold, silver, and copper on the western flank (Target D in Figure 3) of the Langi Logan North basalt dome in AC drill hole IAC110. This intersection includes:

- **23m @ 9.5 g/t Ag** from 31m down hole, including **3m @ 52 g/t Ag** from 32m
- **6m @ 0.15% Cu** from 46m
- **1m @ 1.0 g/t Au** from 32m

Target D is associated with a strong, previously untested chargeability feature of approximately 500m in strike length. Drill hole IAC110 ended in mineralisation and remains open at depth and along strike.

(b) Tandarra Gold Project (RL 6660) (Navarre 49%)

The high-grade Tandarra Gold Project is located 50km northwest of Kirkland Lake Gold's world-class Fosterville Gold Mine, and 40km north of the 22 million-ounce Bendigo Goldfield (Figures 1 & 4). Exploration at Tandarra, in Joint Venture with operator Catalyst Metals Limited (ASX:CYL), is targeting the next generation of gold deposits under shallow cover in the region.

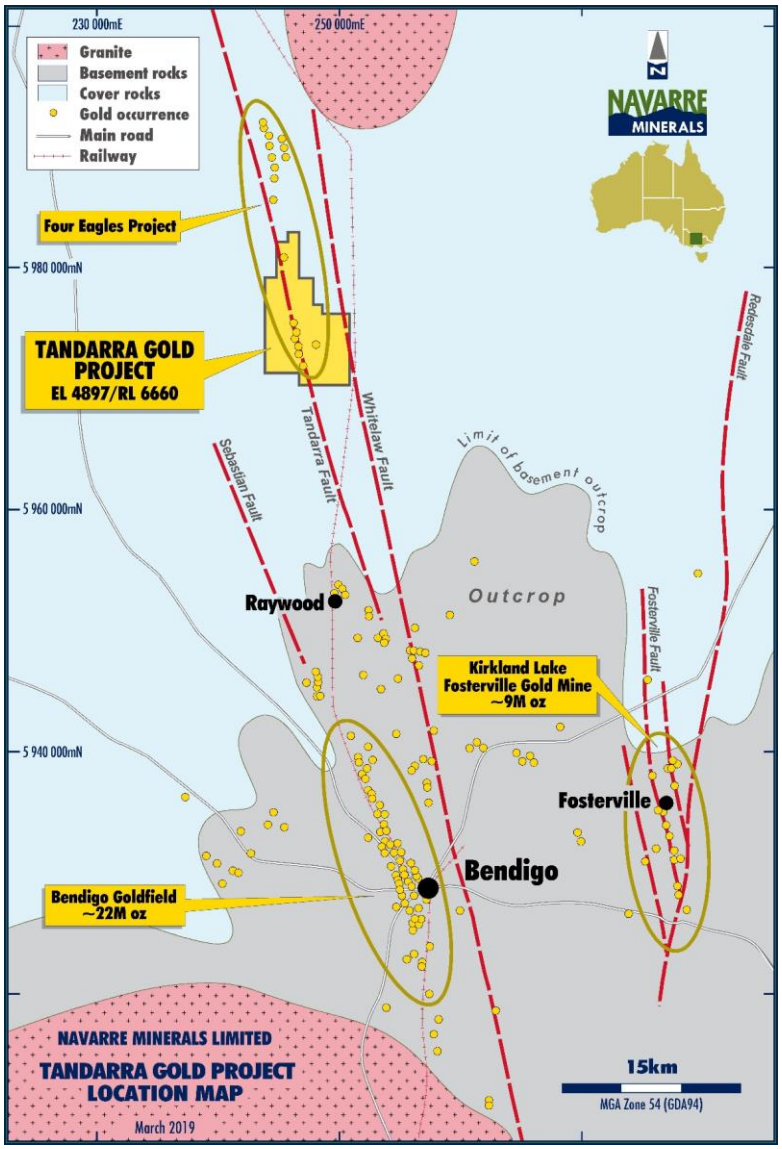

Figure 4: Tandarra Gold Project location map

2. REVIEW OF OPERATIONS (cont.)

In July 2019, a six hole, 1,566 metre diamond drilling program testing depth extensions and mineralised repetitions of the Tomorrow mineralisation was completed. Highlight intersection (refer ASX announcement 14 October 2019) included:

- **7.0m @ 5.4 g/t Au** from within a broader interval of **14.6m @ 3.0 g/t Au** from 102.4m in DDT020;
- **0.4m @ 243 g/t Au** from 180.0m in DDT020; and
- **3.0m @ 4.7 g/t Au** from 118m in DDT023.

Reconnaissance AC drilling commenced south of and on-strike of the Tomorrow and Macnaughtan zones as part of a broader 25,000m program of AC, RC and diamond drilling. By the end of the half year 3,235m of drilling in 27 holes had been completed.

(c) Western Victoria Copper Project (ELs 4590, 5425 & 5497)

The Group is targeting large volcanic massive sulphide, epithermal and porphyry copper-gold deposits in the Stavely Arc volcanics within its Western Victoria Copper Project (Figures 1 & 5). The Project area captures multiple polymetallic targets in three project areas including Glenlyle, Eclipse and Stavely.

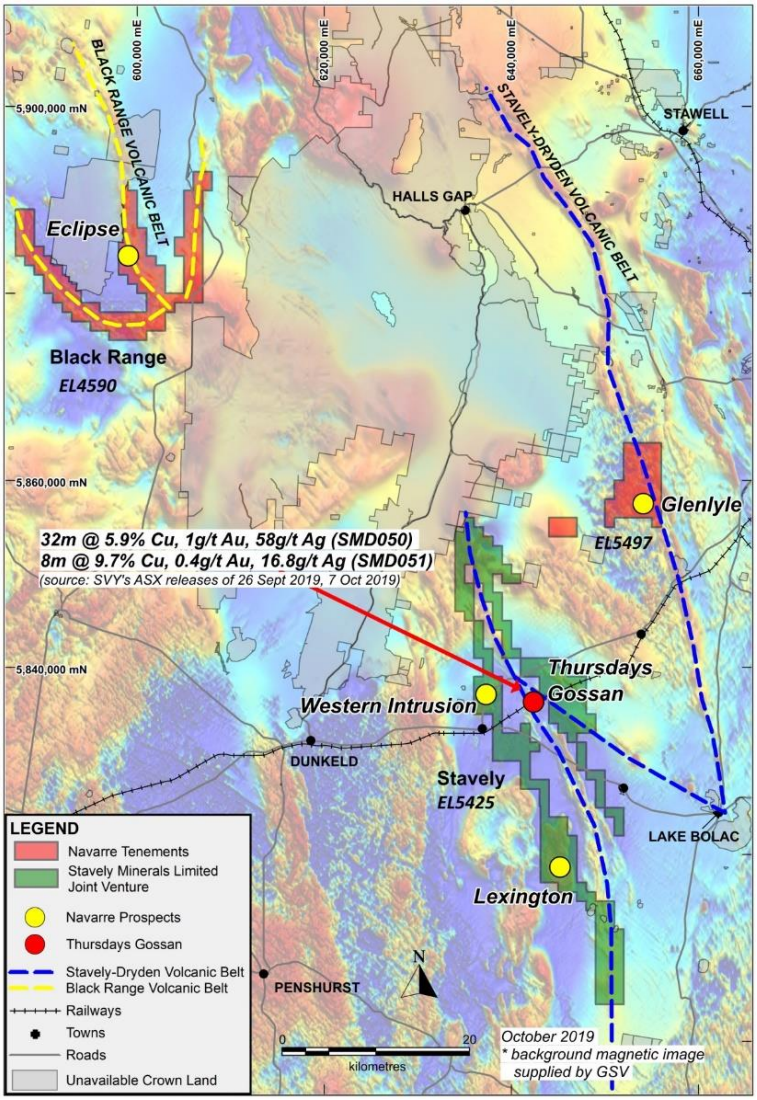

Figure 5: Navarre's three mineral properties within the Stavely Arc Volcanic Belt

2. REVIEW OF OPERATIONS (cont.)

Black Range Project (EL 4590)

During the half year, the Group commenced a 1,200m diamond drilling program to test a large induced polarisation geophysical chargeability anomaly beneath shallow chalcocite mineralisation at the Eclipse prospect. At the end of the half year, the first diamond hole ED001 was at a depth of 105m.

Glenlyle Project (EL 5497)

Subsequent to the half year, the Group completed an extensive airborne VTEM survey over the exploration licence area to support drill targeting. The survey was completed early February 2020.

Stavely Project (EL 5425)

EL 5425 is subject to a JV agreement where Stavely Minerals Limited (ASX: SVY) may earn an 80% interest by spending $0.45M over 5 years.

During and subsequent to the half year, Stavely Minerals Limited (Stavely), as manager, completed two diamond drill holes for a total of 403m at the Northern Prospect (Figure 6). Neither hole produced obvious indications of mineralisation.

Subsequent to the half year, Stavely informed the Group that they had fulfilled the expenditure commitment of $150,000 for the first earn-in period for the Stavely Farm-in and Joint Venture Agreement.

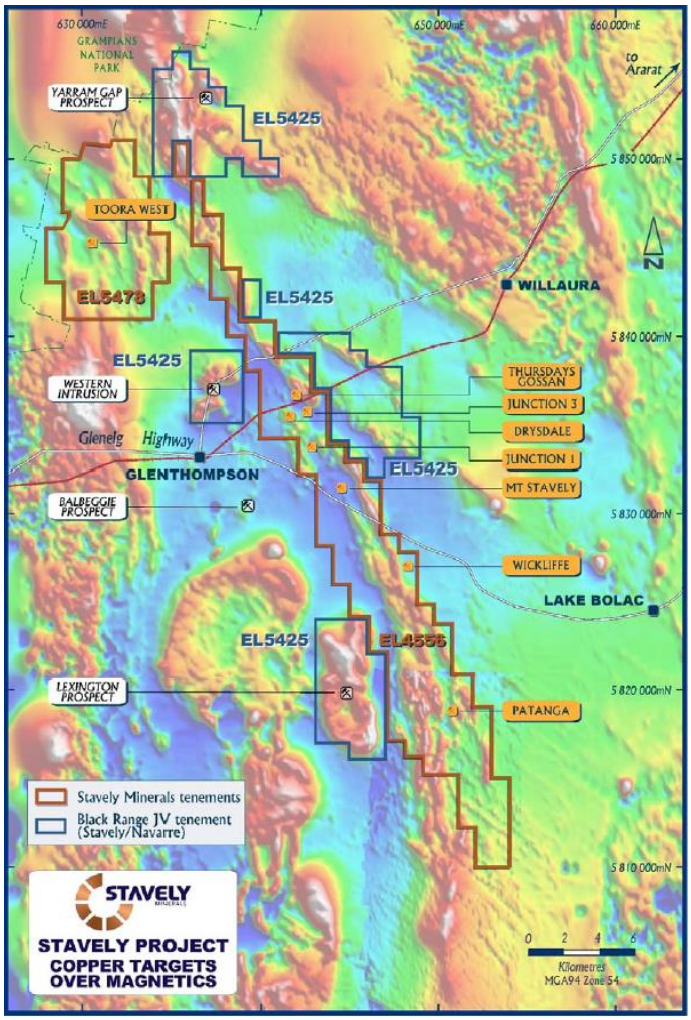

Figure 6: Location of targets on EL 5425 *(diagram reproduced courtesy of Stavely Minerals Limited)*

DIRECTORS' REPORT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

2. REVIEW OF OPERATIONS (cont.)

(d) St Arnaud Gold Project (EL 6556 & ELA 6819)

There was no significant activity during the half year.

(e) Significant changes in the state of affairs of the Group during the half-year

(i) During the half-year, the Company raised $4,752,009 (before transaction costs) through capital raising initiatives, as detailed below (under the heading "Share Issues"). Proceeds from the capital raisings will be applied to future exploration and evaluation activities on the Stawell Corridor Gold Project and other priority projects in Victoria and ongoing corporate expenses.

(f) Events subsequent to balance date

There were no significant matters that arose subsequent to 31 December 2019 and up until the date of this report.

3. OTHER MATTERS

Share Issues

In October 2019, Navarre raised $4,750,009 (before transaction costs) from a share placement to institutional and sophisticated investors, resulting in the issue of 43,181,900 ordinary shares at an issue price of $0.11 per share.

In October 2019, Navarre raised $2,000 (before transaction costs) from issuing 50,000 fully paid ordinary shares following the exercise of unlisted employee share options (exercise price $0.04, expiry date 31 December 2019).

Share Options

No share options were issued by the Company to directors or employees of the Company during the half-year ended 31 December 2019. 1,150,000 unlisted employee share options in the Company expired on 29 November 2019 as a result of an employee ceasing employment with the Company.

As noted above, a total of 50,000 fully paid ordinary shares were issued during the half-year as a result of the exercise of unlisted share options (exercise price $0.04, expiry date 31 December 2019).

Share Performance Rights

During the half-year, the Company issued 1,500,000 share performance rights (expiry 31 December 2022) to the Managing Director of the Company.

Auditor's Independence Declaration

The directors have received the independence declaration from the auditor, RSM Australia Partners, set out on page 9.

Signed in accordance with a resolution of the Directors made pursuant to s298 (2) of the *Corporations Act 2001*.

On behalf of the Directors



G McDermott
Managing Director
Melbourne, 12 March 2020

RSM Australia Partners

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Navarre Minerals Limited for the half year ended 31 December 2019, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the review.

RSM AUSTRALIA PARTNERS

J S CROALL
Partner

Dated: 12 March 2020
Melbourne, Victoria

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Navarre Minerals Limited

ABN 66 125 140 105

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

	Note	31/12/2019	31/12/2018
		$	$
Interest income		59,139	19,757
Income		**59,139**	**19,757**
Net administration expenses	4	(507,802)	(488,855)
Exploration expenditure written-off		(175,985)	(3,563)
Loss before income tax		**(624,648)**	**(472,661)**
Income tax expense		-	-
Net loss for the period		**(624,648)**	**(472,661)**
Total comprehensive loss for the period		**(624,648)**	**(472,661)**
Basic loss per share (cents per share)		(0.14)	(0.14)
Diluted loss per share (cents per share)		(0.14)	(0.14)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Navarre Minerals Limited
ABN 66 125 140 105

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

	Note	31/12/2019	30/06/2019
CURRENT ASSETS		$	$
Cash and cash equivalents	5	8,146,353	1,747,865
Trade and other receivables		332,780	299,264
Other financial assets	6	525,053	4,287,848
TOTAL CURRENT ASSETS		9,004,186	6,334,977
NON-CURRENT ASSETS			
Other financial assets	6	110,000	110,000
Property, plant and equipment		37,079	44,416
Exploration and evaluation costs	7	12,387,772	10,997,701
TOTAL NON-CURRENT ASSETS		12,534,851	11,152,117
TOTAL ASSETS		**21,539,037**	**17,487,094**
CURRENT LIABILITIES			
Trade and other payables		526,653	416,375
Provisions		91,785	97,762
TOTAL CURRENT LIABILITIES		618,438	514,137
NON-CURRENT LIABILITIES			
Provisions		-	1,434
TOTAL NON-CURRENT LIABILITIES		-	1,434
TOTAL LIABILITIES		**618,438**	**515,571**
NET ASSETS		**20,920,599**	**16,971,523**
EQUITY			
Contributed equity	8	29,634,657	25,155,010
Share based payments reserve		585,775	521,068
Accumulated losses		(9,299,833)	(8,704,555)
TOTAL EQUITY		**20,920,599**	**16,971,523**

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

Navarre Minerals Limited
ABN 66 125 140 105

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

	Issued Capital $	Share Based Payments Reserve $	Accumulated Losses $	Total Equity $
Balance at 1 July 2019	**25,155,010**	**521,068**	**(8,704,555)**	**16,971,523**
Net loss for the period	-	-	(624,648)	(624,648)
Total comprehensive loss for the year	**-**	**-**	**(624,648)**	**(624,648)**
Transactions with owners in their capacity as owners:				
Cost of share based payments	-	94,514	-	94,514
Share issues	4,752,009	-	-	4,752,009
Costs of issues	(272,799)	-	-	(272,799)
Transfer of equity instruments exercised	437	(437)	-	-
Transfer of equity instruments lapsed	-	(29,370)	29,370	-
At 31 December 2019	**29,634,657**	**585,775**	**(9,299,833)**	**20,920,599**

	Issued Capital $	Share Based Payments Reserve $	Accumulated Losses $	Total Equity $
Balance at 1 July 2018	**16,641,488**	**131,005**	**(7,840,309)**	**8,932,184**
Net loss for the period	-	-	(472,661)	(472,661)
Total comprehensive loss for the year	**-**	**-**	**(472,661)**	**(472,661)**
Transactions with owners in their capacity as owners:				
Cost of share based payments	-	151,566	-	151,566
Share issues	3,013,200	-	-	3,013,200
Costs of issues	(63,741)	-	-	(63,741)
Transfer of equity instruments lapsed	-	(1,858)	1,858	-
At 31 December 2018	**19,590,947**	**280,713**	**(8,311,112)**	**11,560,548**

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

Navarre Minerals Limited
ABN 66 125 140 105

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

	31/12/2019	31/12/2018
CASH FLOWS FROM OPERATING ACTIVITIES	**$**	**$**
Payments to suppliers and employees	(536,741)	(426,745)
Interest received	61,903	14,666
Net cash (used in) operating activities	**(474,838)**	**(412,079)**
CASH FLOWS FROM INVESTING ACTIVITIES		
Receipts / (payments) for investments	3,762,795	-
Expenditure on plant and equipment	(1,095)	(30,940)
Expenditure on exploration tenements	(1,367,584)	(1,678,287)
TARGET Minerals Exploration Initiative – Milestone 3 grant	-	365,091
Net cash (used in) investing activities	**2,394,116**	**(1,344,136)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from share issues	4,752,009	3,013,200
Transaction costs on issue of shares	(272,799)	(65,580)
Net cash from financing activities	**4,479,210**	**2,947,620**
Net increase / (decrease) in cash and cash equivalents	**6,398,488**	**1,191,405**
Cash and cash equivalents at beginning of period	1,747,865	1,426,684
Cash and cash equivalents at end of period (Note 5)	**8,146,353**	**2,618,089**

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

NOTE 1: CORPORATE INFORMATION

The financial report of Navarre Minerals Limited ("Navarre Minerals", or the "Company") for the half-year ended 31 December 2019 was issued on 12 March 2020 in accordance with a resolution of the directors.

Navarre Minerals Limited is a company limited by shares incorporated in Australia. The Company's shares are publicly traded on the Australian Securities Exchange (ASX).

The nature of operations and principal activities of the Group are described in the directors' report.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

This general purpose financial report for the half-year ended 31 December 2019 has been prepared in accordance with AASB 134 "Interim Financial Reporting" and the Corporations Act 2001.

The half-year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Group as the full financial report.

It is recommended that the half-year financial report be read in conjunction with the annual report for the year ended 30 June 2019 and considered together with any public announcements made by Navarre Minerals Limited during the half-year ended 31 December 2019 in accordance with the continuous disclosure obligations of the ASX listing rules.

(b) Changes in accounting policy, accounting standards and interpretations

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.

The following Accounting Standards and Interpretations are most relevant to the Group:

AASB 16 Leases

The Group has adopted AASB 16 from 1 July 2019. The standard replaces AASB 117 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognised lease liabilities (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results improve as the operating expense is now replaced by interest expense and depreciation in profit or loss. For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities. For lessor accounting, the standard does not substantially change how a lessor accounts for leases.

Impact of adoption

AASB 16 was adopted using the modified retrospective approach and as such comparatives have not been restated. Right-of-use assets are measured at an amount equal to the lease liability. The Group has applied AASB 16 practical expedient and elected not to recognise right-of-use assets and lease liabilities for leases with less than 12 months of lease term. As the Group only have short term leases that are less than 12 months, these have been expensed directly to the profit or loss for the period ended 31 December 2019.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

(c) Cashflow management

The Group is still in the exploration stage and consequently, it incurred a loss of $624,648 and had net cash outflows from operating activities of $474,838 for the half-year ended 31 December 2019. During the exploration stage the directors closely monitor liquidity and during the half year ended 31 December 2019 the following activities demonstrate how the directors managed the group's cash flow requirements:

- the Group raised $4,752,009 (before transaction costs) through a capital raise which improved the group's cash and working capital position at the end of the period.

The Group will seek to raise further capital if required, as and when necessary to meet its projected operations. The decision of how the Group will raise future capital will depend on market conditions existing at that time. It is the Group's plan that this capital will be raised by any one or a combination of the following: placement of shares, pro-rata issue to shareholders, the exercise of outstanding options, and/or a further issue of shares to the public.

Should the Group be unable to raise further capital, some or all of the Group's operations would be either scaled down or suspended until further capital can be raised.

Should these methods not be considered viable or in the best interests of shareholders, then it would be the Group's intention to meet its obligations by either sale of all or part of the Group's interests or a farm-out of the Group's exploration interests; the latter course of action being consistent with the Group's current overall strategy.

NOTE 3: SEGMENT INFORMATION

The Group's reportable segment is confined to mineral exploration in Victoria only.

NOTE 4: NET ADMINISTRATION EXPENSES

	Consolidated	
	31/12/2019	**31/12/2018**
	$	**$**
Net administration expenses		
Consultants fees and expenses	1,074	500
Directors remuneration (non-executive)	71,175	53,325
Salaries and on-costs	440,301	506,209
Share based payments	94,514	151,566
Investor relations	141,219	109,523
Motor vehicle expenses	11,293	7,994
Audit costs	10,237	9,600
Stock exchange registry and reporting costs	44,261	39,341
Travel costs	5,348	4,357
Depreciation and amortisation	8,432	9,280
Other administration expenses	39,042	45,249
Gross administration expenses	866,896	936,944
Capitalised as exploration and evaluation costs[1]	(359,094)	(448,089)
Net administration expenses	507,802	488,855

[1] The amount capitalised as exploration and evaluation costs, totalling $359,094 (31 December 2018: $448,089), forms part of the exploration and evaluation expenditure for the year as set out in Note 7.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

NOTE 5: CASH AND CASH EQUIVALENTS

	Consolidated	
	31/12/2019	**30/06/2019**
	$	**$**
Cash at bank and in hand	8,146,353	1,747,865

Cash at bank earns interest at floating rates based on daily bank rates.

NOTE 6: OTHER FINANCIAL ASSETS

	Consolidated	
	31/12/2019	**30/06/2019**
Current	**$**	**$**
Term Deposits	525,053	4,287,848

	Consolidated	
	31/12/2019	**30/06/2019**
Non-current	**$**	**$**
Bank Guarantees – Exploration Permits	110,000	110,000

NOTE 7: EXPLORATION AND EVALUATION COSTS

	Consolidated	
	31/12/2019	**30/06/2019**
	$	**$**
Balance at beginning of the period	10,997,701	7,493,861
Expenditure for the period	1,566,056	3,507,403
Expenditure written-off during the period	(175,985)	(3,563)
	12,387,772	10,997,701

Capitalised exploration and evaluation costs at 31 December 2019 are $12,387,772 (June 2019: $10,997,701) which relate to Stawell Corridor Gold Project $6,638,808 (June 2019: $5,581,283), Tandarra Gold Project $4,214,043 (June 2019: $4,078,495), St Arnaud Gold Project $834,848 (June 2019: $809,886), and Western Victoria Copper Project $700,073 (June 2019: $528,037).

NOTE 8: CONTRIBUTED EQUITY AND RESERVES

	Consolidated			
	31/12/2019	**31/12/2019**	**30/06/2019**	**30/06/2019**
	Shares	**$**	**Shares**	**$**
ISSUED AND PAID UP CAPITAL				
Ordinary shares	478,242,151	29,634,657	435,010,251	25,155,010

NOTE 9: COMMITMENTS AND CONTINGENCIES

There have been no material changes to commitments since the annual financial statements that were issued for the year ended 30 June 2019.

NOTE 10: SHARE BASED PAYMENT PLANS

Share Options

No share options were granted to employees of the Company during the half-year ended 31 December 2019. 1,150,000 unlisted employee share options in the Company expired on 29 November 2019 as a result of an employee ceasing employment with the Company.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

NOTE 10: SHARE BASED PAYMENT PLANS (cont.)

Share Performance Rights

During the half-year, the Company issued 1,500,000 share performance rights (expiry 31 December 2022) to the Managing Director of the Company.

NOTE 11: EVENTS SUBSEQUENT TO BALANCE DATE

There were no significant matters that arose subsequent to 31 December 2019 and up until the date of this report.

Navarre Minerals Limited

ABN 66 125 140 105

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Navarre Minerals Limited, I state that:

In the opinion of the Directors:

(a) The financial statements and notes of Navarre Minerals Limited for the half year ending 31 December 2019 are in accordance with the *Corporations Act* 2001, including:

  (i) Giving a true and fair view of the Group's financial position as at 31 December 2019.

  (ii) Complying with Accounting Standard AASB 134 'Interim Financial Reporting' and *Corporations Regulations* 2001.

(b) There are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

On behalf of the Board



G McDermott
Managing Director
Melbourne, 12 March 2020

RSM Australia Partners

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Independent Auditor's Report
To the Members of Navarre Minerals Limited

Report on the Financial Report

We have reviewed the accompanying half-year financial report of Navarre Minerals Limited (the company) and its subsidiary (the Group) which comprises the consolidated statement of financial position as at 31 December 2019, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the Group comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the half-year 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 half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2019 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Navarre Minerals Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations act 2001, which has been given to the directors of Navarre Minerals Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Navarre Minerals Limited is not in accordance with the *Corporations Act 2001* including:

(a) giving a true and fair view of the Group's financial position as at 31 December 2019 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

RSM AUSTRALIA PARTNERS

J S CROALL
Partner

Dated: 12 March 2020
Melbourne, Victoria