Tatyoon Gold Project and Company Update

Open Briefing interview with Managing Director Geoff McDermott

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Navarre Minerals Limited (ASX: NML) is a minerals exploration company that is creating value from a portfolio of early to advanced stage gold, volcanic massive sulphide (VMS) and porphyry copper projects in western Victoria, Australia. Navarre's aim is to discover and develop large low-cost copper and gold production through its exploration successes in the region around Stawell, 300km west of Melbourne. Its two key projects are the Western Victoria Copper Project within the Miga Arc volcanic belt and the Tatyoon Gold Project within the Stawell Gold Corridor.

In this Open Briefing®, MD Geoff McDermott discusses:

- **Results from Eclipse drilling program**
- **Copper potential at Lexington and Glenlyle prospects**
- **Tatyoon Gold Project and outlook**

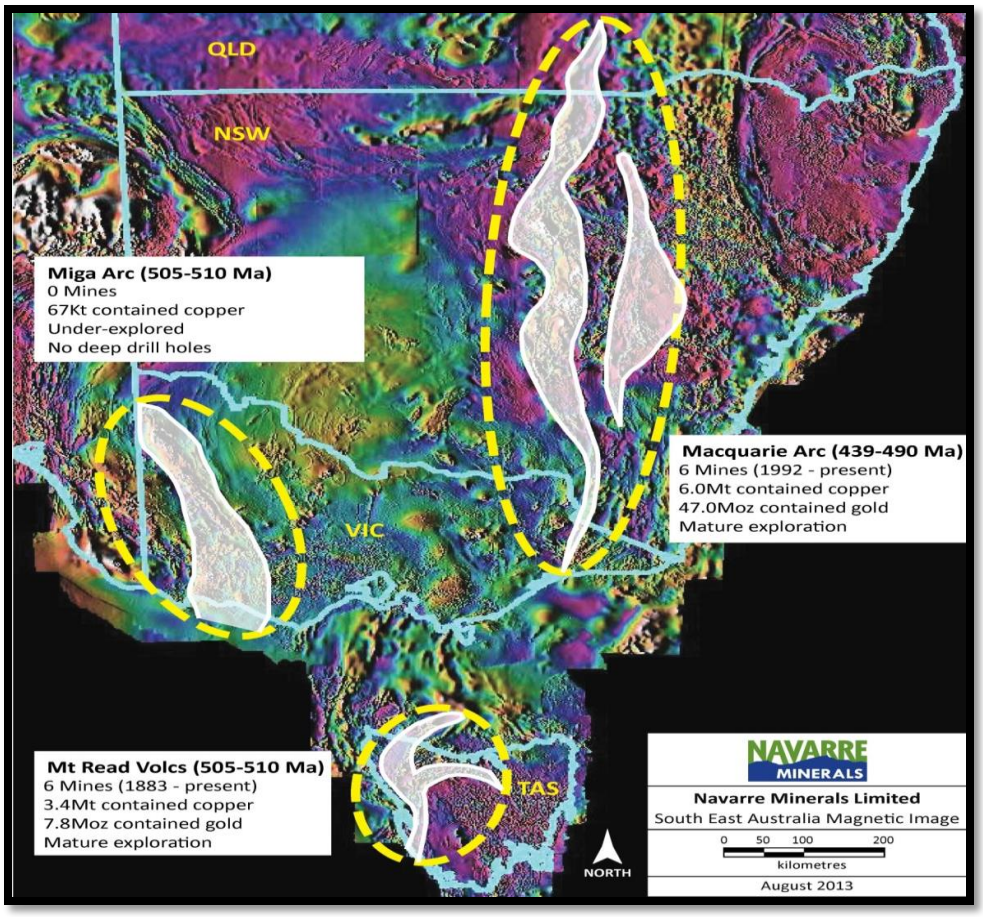
Record of interview:

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One of Navarre's strategies is to explore and develop large-scale copper porphyry and VMS systems in western Victoria along the Miga Arc. The Western Victoria Copper Project is one of Navarre's key properties and within this sits many prospective targets for copper and gold, including Eclipse, Lexington and Glenlyle. What is the metal endowment of the Miga Arc and what exploration results have been delivered to date that give you confidence Navarre's strategy will uncover new mineral systems?

MD Geoff McDermott
The Miga Arc is an under-drilled and under-explored volcanic belt hidden beneath recent cover in western Victoria and has only recently been recognised as a continental margin arc setting like the Andes following some great progressive work by the Geological Survey of Victoria. The Miga Arc is comparable to the widely explored Macquarie Arc (Cadia Valley & North Parkes mines) and hosts similar rock formations to Tasmania's Mt Read Volcanics (contains Mt Lyell & Rosebery mines). A layer of thin cover has hidden the mineral potential of the volcanic belt from past explorers but new technology has opened the door to unlock its potential.
The present metal endowment of the Miga Arc is only 67,000 tonnes of contained copper, which was discovered in the 1970s (see diagram), but the belt has capacity to develop into a Macquarie Arc or a Mt Read analogue. We are targeting porphyry-copper-gold and VMS

deposits just as you would expect to find in those other mineral systems. At our Eclipse prospect we believe we have potential for a VMS deposit beneath a blanket of supergene copper as seen in recent drilling results and supported by geophysical evidence.

Miga Arc magnetic image



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An 11-hole RC drilling program at Navarre's 100% owned Eclipse prospect returned broad intervals of copper and gold mineralisation which will require further exploration. What do the results from Eclipse tell you about the potential for an ore body? What else have you learned about your tenements from exploration results from nearby Stavely Minerals (ASX: SVY) exploration?

MD Geoff McDermott

The drill program targeted 1 of 3 geophysical Induced Polarisation (**IP**) target zones and followed a shallow reconnaissance RC drill campaign completed in January 2014 that resulted in the discovery of near-surface copper and gold mineralisation with up to 2.8% copper and 3.6 grams per tonne gold (see ASX release 24 March 2014).

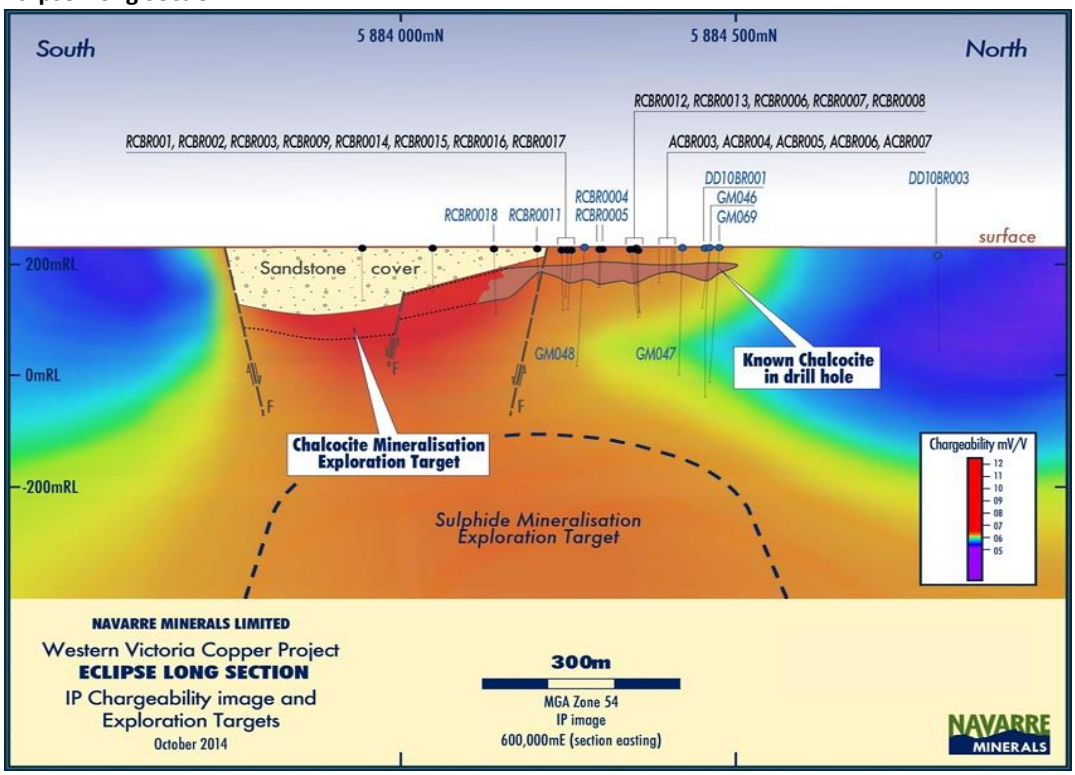
The results from the drilling program tell us a great deal about the potential for an ore body at depth. Firstly, limited drilling below a supergene enriched copper (chalcocite) blanket starting at only 30 metres from surface is suggesting that the blanket is derived locally from the

weathering of an underlying body of pyritic copper-gold-zinc mineralisation. Chalcocite forms from the alteration of copper minerals that react with oxygen above the water table. The oxygenated copper fluids descend to the water table where a chemical reaction results in the formation of a near horizontal chalcocite copper horizon. We believe the presence of this chalcocite blanket is strong evidence for a deeper primary source of copper mineralisation.

Secondly, the broad intervals of primary copper, gold, silver and zinc mineralisation beneath the supergene copper blanket remain open to the south and at depth and are now thought likely as part of a VMS system similar to those found on the west coast of Tasmania, such as Hellyer, Rosebery and Mt Lyell.

Lastly, the drilling has provided vectors towards a deeper target zone outlined by the IP geophysics to be tested with subsequent drilling (see diagram)

Eclipse Long Section



Navarre intends to apply for a grant under the Victorian Government's new $15 million TARGET Minerals Exploration Initiative to boost its exploration at Eclipse and also within the region.

The results from the drilling campaign by Stavely Minerals have been very encouraging for Navarre – the deep drilling has highlighted the potential for large mineralised porphyry copper systems in the Miga Arc. Extensive zones of porphyry-style alteration and broad intervals of low-grade copper intersected in the drilling are all positive indicators. Stavely's drilling highlights some elements of structural complexity which is to be expected with rocks of this

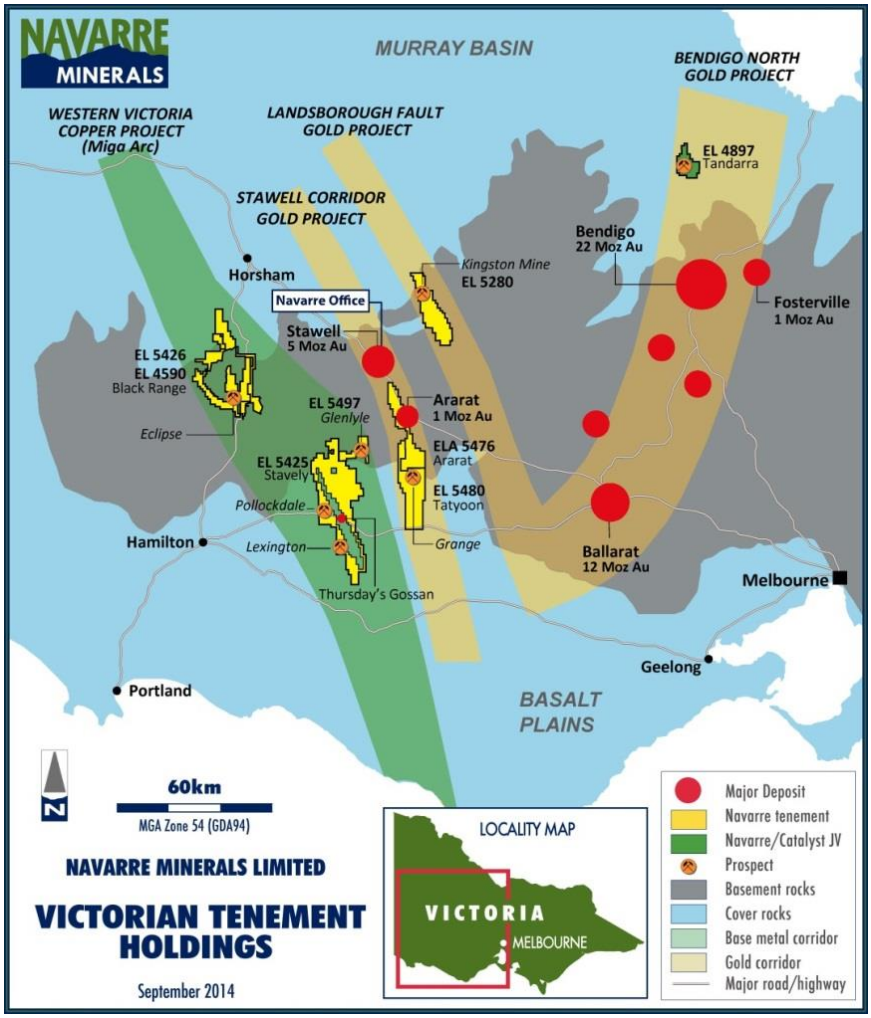
age. Porphyry-copper and VMS deposits often occur together, usually in clusters, "you find one, you find several." The work by both Stavely and Navarre could herald the discovery of a new mineral district if the theory continues to hold.

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Navarre is also focused on other prospective copper targets within its Western Victoria Copper Project at the Lexington and Glenlyle prospects. The Lexington Prospect (EL 5425), approximately 12km south of Stavely Minerals' Thursday's Gossan deposit, has had surface geochemical sampling exploration conducted in recent weeks. What is the status of your exploration here and at Glenlyle?

MD Geoff McDermott
It's still early days here at Lexington. Geological mapping and sampling is still ongoing and we are waiting on results from a recent gravity survey to assist with advancing key exploration targets to drill ready status. We do know from past exploration in the 1990s that chalcocite is present at Lexington and, underlying this, primary copper mineralisation of up to 0.6% has been intersected in the prospects only diamond drill hole.

The Glenlyle licence (EL5425) was granted in September 2014 and covers 61 km^2 of the Miga Arc adjoining our Stavely exploration licence (see diagram). A review of past shallow drilling dating back to 1991 suggests potential for VMS and porphyry-style mineralisation based on anomalous gold and base metal results developed within highly altered volcanics that lie beneath thin recent cover. We are completing a review of previous exploration, which includes some good quality geophysical data, to identify key exploration targets.

Navarre's Victorian tenement holdings



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Navarre's new Stawell Corridor Gold Project, which includes the recently discovered under-cover Grange prospect within the Tatyoon Gold Project (EL5480), is located 50 kilometres south of the operating Stawell Gold Mine, owned by Navarre's largest shareholder and leading Victorian gold producer, Crocodile Gold Corp (see diagram above). Historical results from limited drilling back in 2005 by a previous explorer, Leviathan Resources Limited, highlight Tatyoon's potential with **2.0m at 2.6 grams per tonne gold** from 66m down-hole (in AAC021) and 1**.8m at 4.2 grams per tonne gold** from 91.4m down-hole, including a maximum gold grade of **0.8m at 8.3 grams per tonne** (in TTD001: see Appendix 1 for additional historical drill information).

Further preliminary work by Navarre indicates that Tatyoon may have complementary gold mineralisation to Stawell's Magdala mine that could potentially be treated at the Stawell Gold Mine. What is the potential for Tatyoon and is there exploration activity currently planned?

MD Geoff McDermott

I have to say, we are very excited by the prospectivity at Tatyoon, everything about it seems right. Appraisal of old exploration data from former explorer Leviathan has confirmed the

presence of Stawell-style gold mineralisation at shallow depths within black sulphidic mudstones in contact with a basalt dome at Grange. Due to several phases of corporate takeover activity involving Leviathan's assets, no further drilling has been undertaken at Tatyoon since discovery in 2005.

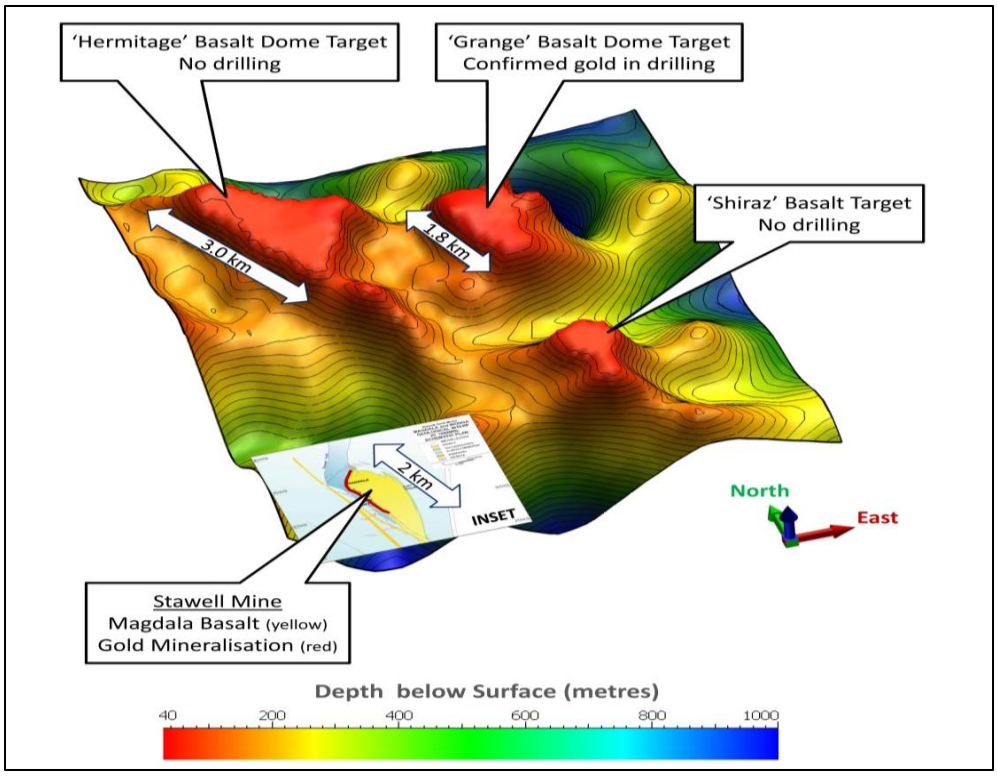
Our investigations have uncovered old exploration records that indicate Tatyoon's Grange prospect is similar in size and shape to the successful, long-life multi-million ounce Magdala Gold Mine in Stawell. Furthermore, the sparse drilling of 2005 shows the gold mineralisation starts at 30m from surface, offering an exceptionally shallow exploration target.

We have now compiled about 80% of the old data and can already see large target areas that look similar to Stawell, yet contain no drill holes.

Gold mineralisation of the Stawell-type is located on the flanks of large basalt domes with the gold mineralisation style being finer grained, more continuous and more predictable than gold deposits typically found at Bendigo and Ballarat. All three historic diamond drill cores into the Grange prospect have been examined and confirm our understanding of the subsurface rocks.

We have also modelled existing gravity data which has defined a cluster of three shallow basalt dome structures in the centre of the Tatyoon tenement (see figure below).

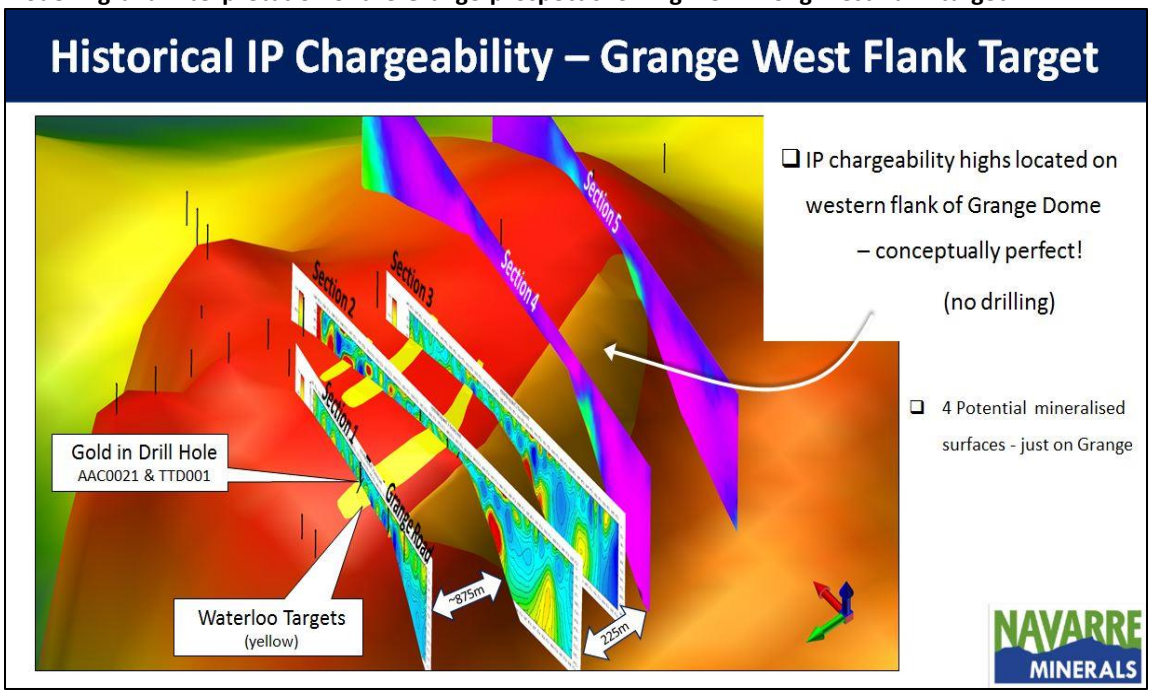
Gravity image showing Tatyoon's 3 basalt dome targets with Stawell Mine for scale



In addition, we re-processed previous IP geophysics surveys which has outlined four surfaces containing chargeability anomalies believed to represent sulphides which, at Stawell, is usually found with gold. This offers immediate drill targets on the Grange prospect. At Stawell's Magdala Mine, the western flank of the basalt dome accounts for approximately 80% of the known gold endowment. Likewise, the western flank of the basalt dome at Grange, which

contains no drill holes, is the largest surface containing chargeability anomalies and forms a 1.5km long target (see diagram below).

Modelling and interpretation of the Grange prospect showing 1.5km long west flank target



A further chargeability anomaly is also present on the south western flank of the Hermitage prospect immediately west of Grange.

As a former chief geologist of Stawell Gold Mines, I think Tatyoon looks remarkably like Stawell in terms of geological architecture and geophysical signature. We know the rocks are similar and have limited drill evidence of the presence of gold mineralisation but its tenor and distribution need to be tested. Our understanding of the mineral system gained from our days working in Stawell is assisting us to generate compelling targets at Tatyoon which we expect to drill testing for the presence of gold, its tenor and extent.

We are expecting to finish compiling the remaining historic information by the end of the year, allowing us to plan our first drilling program into the project in 2015.

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Thank you Geoff

For more information about Navarre Minerals Limited, visit www.navarre.com.au or call Geoff McDermott on (+61 3) 5358 8625

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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 Wessley Edgar, who is a Member of The Australasian Institute of Mining and Metallurgy and who is Exploration Manager of Navarre Minerals Limited. Mr Edgar 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 Edgar 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.

JORC Code, 2012 Edition – Table 1 Tatyoon Historical Exploration Results

Section 1 Sampling Techniques and Data

The following table of information relates to an historical drill hole database for the Tatyoon Gold Project. Navarre Minerals Limited is yet to undertake drilling on the project.

Criteria	Commentary
Sampling techniques	• Aircore samples were collected from the base of the transported profile (interface) and from composite samples below in bedrock or weathered saprolitic basement. • Sampling was via hand grab of drill material with no splitter used. • Diamond core samples were prepared by cutting cores in half with a diamond saw at the Stawell Gold Mine (SGM).
Drilling techniques	• Reverse circulation ("RC") percussion drilling was used to drill through the hard near surface Tertiary basalt cover to expose saprolitic basement for aircore drilling. • All RC/aircore holes were drilled vertically. • Diamond drilling is NQ2 core size.
Drill sample recovery	• No record of sample recovery or wet samples is known. RC pre-collars to aircore and diamond drilling were not sampled.
Logging	• All aircore and diamond core samples were geologically logged by SGM staff on 1m intervals (aircore) and by geology (diamond) on nominal 1m intervals. Intervals logged are consistent with those viewed by the competent person for the diamond core. Each interval logged includes mandatory primary lithology, oxidation and colour to establish geological boundaries, with alteration, sulphide and quartz type and strength (or % for quartz) recorded where present. • Logging is quantitative, based on visual field estimates. • Chip trays for the last 6 aircore holes drilled (AAC050-056) remain, which have been reviewed by Navarre geologists.
Sub-sampling and sample preparation	• Nominal 3kg calico bag aircore sub-samples were dispatched for assay. • Diamond core assays are from ½ core samples as per typical Genalysis laboratory crush and pulverize processes. • It is not known what quality control measures may have been used for sub-sampling and sample preparation processes.
Quality of assay data and laboratory tests	During the 2004 program (Grange prospect drill hole, AAC021) samples were analysed for low level (ppb) Au, As, Cu, Pb and Zn at Aminya Laboratories, Ballarat with selected samples analysed for an ICP suite of elements at SGS Laboratories, Perth. During 2005 all samples were analysed at Genalysis Laboratory Services as follows: i) Sample preparation at Genalysis, Adelaide. ii) Oxide samples for Au by aqua regia and As, Cu, Pb, Zn by AAS iii) Sulphide samples for Au aqua regia with furnace finish and an ICP suite of elements. • The assay techniques for gold and base metals are total. • It is unknown what, if any, assay quality control procedures were used by SGM.
Verification of sampling and assaying	• Assay and geological results have been checked against historical plans and sections generated near the time of drilling by SGM. • Diamond drill core has been retrieved from storage at SGM and recently laid out and reviewed by the competent person and Navarre Managing Director. Assay and logging intervals were found consistent with database records. • Original digital lab assay files as received by SGM from Genalysis Laboratories have been obtained by Navarre to verify the high grade assays in TTD001. The significant gold assay in TTD001 from 91.4m to 93.2m was originally assayed for gold using a ppb detection limit (Genalysis method FA25/SAAS) upon reporting >1 g/t Au results the 2 samples concerned were subsequently assayed 3 times each using a fire assay with AAS determination method (Genalysis code FA25/AAS) and 0.01 ppm Au detection limit which is a total gold method and limit considered suitable for the sample material type and high gold concentrations. The gold grade reported for this interval is the length weighted average of the 3 fire assay results and is thus consistent with the grade publicly reported by Leviathan Resources Ltd in their September 2005 quarterly report and associated cross-section figure. • The length weighted gold grades for each repeat analysis of this 1.8m interval (from 91.4m in TTD001) are: 4.70 g/t Au, 1.14 g/t Au, and 6.78 g/t Au. The maximum gold assay for this interval is 0.8m @ 8.34 g/t Au from 92.4m.
Location of data points	• Grid system used is GDA94, zone 54 • diamond drill hole azimuths were measured relative to magnetic north and recorded as AMG84/GDA94 following declination correction (magnetic+11.5°) • It is unknown how the location of drill holes were surveyed but is believed to be via handheld GPS by present SGM staff who were employed in 2005 in the exploration group.

Criteria	Commentary
	• A topographic DTM was gained from government sources at 30m station spacing and used by Navarre to assign collar heights. All previous work applied an arbitrarily constant height to all holes at Tatyoon. • Downhole survey records for diamond drill holes contain survey information on 20-30m intervals as is standard for this type of drilling. Quality could not be verified by Navarre but is not considered material to the exploration results being reported and discussed.
Data spacing & distribution	• Data spacing is too sparse to enable Mineral Resource or Ore Reserve estimations. • Aircore samples have been routinely composited to 5m or less, especially in the saprolite beneath the Tertiary basalt cover. • The degree of mineralisation or gold continuity cannot be defined at this early stage of drill information.
geological structure	• The orientation of gold bearing veins or structures is not well known at this early stage of exploration.
Sample security	• Diamond core of relevance is kept at the SGM with no public access. No aircore sample material other than chip trays for 6 drill holes has been retained.

Section 2 Reporting of Exploration Results

Table of significant historic Tatyoon drill results:

HoleID	Prospect	GDA94 East	GDA94 North	RL	Depth (m)	Significant Assay Results
AAC021	TATYOON-Grange	672471.5	5847846.7	279	69	**20m @ 0.46 g/t Au** from 44m (including 5m @ 1.42 g/t Au from 35m), **3m @ 1.87 g/t Au** from 66m (including 2m @ 2.6 g/t Au from 66m)
AAC022	TATYOON-Grange	672444.5	5847874.7	279	52	NSR
AAC023	TATYOON-Grange	672484.5	5847839.7	279	62	19m @ 19 ppb Au from 31m
AAC024	TATYOON-Grange	672663.5	5847810.7	281	69.5	NSR
AAC025	TATYOON-Grange	672860.5	5847773.7	280	90	NSR
AAC026	TATYOON-Grange	673021.5	5847746.7	283	78	NSR
AAC027	TATYOON-Grange	673174.5	5847722.7	283	87	2m @ 23 ppb Au from 85m
AAC028	TATYOON-Grange	672286.5	5847874.7	276	66	**5m @ 0.89 g/t Au** from 50m
AAC029	TATYOON-Grange	672121.4	5947927.0	278	89	NSR
AAC030	TATYOON-Grange	671961.5	5847956.7	278	88	NSR
AAC031	TATYOON-Grange	672246.5	5847902.7	274	72	30m @ 41 ppb Au from 30m
HoleID	**Prospect**	**GDA94 East**	**GDA94 North**	**RL**	**Depth**	**Significant Assay Results**
AAC032	TATYOON-Grange	672464.5	5847859.7	279	58	5m @ 50 ppb Au from 35m
AAC033	TATYOON-Grange	673645.5	5847629.7	283	101	8m @ 28 ppb Au from 66m
AAC034	TATYOON-Grange	673724.5	5847614.7	284	111	NSR
AAC035	TATYOON-Grange	673806.5	5847597.7	286	99	5m @ 85 ppb Au from 72m
AAC036	TATYOON-Grange	673222.5	5847874.7	282	97	**5m @ 0.51 g/t Au** from 77m
AAC037	TATYOON-Grange	673253.5	5848031.7	282	80	17m @ 32 ppb Au from 60m
AAC038	TATYOON-Grange	673277.5	5848186.7	284	90	3m @ 169 ppm As from 54m
AAC039	TATYOON-Grange	673313.5	5848346.7	282	94	NSR
AAC040	TATYOON-Grange	673163.5	5847559.7	284	112	3m @ 57 ppb Au from 108m
AAC041	TATYOON-Grange	673081.5	5847266.7	282	106	NSR
AAC042	TATYOON-Grange	672981.5	5846746.7	271	75	NSR
AAC043	TATYOON-Grange	672921.5	5846346.7	280	90	NSR
AAC044	TATYOON-Grange	672841.5	5846066.7	281	84	1m @ 117 ppm As from 30m
AAC045	TATYOON-Hermitage	670921.5	5848156.7	268	70	NSR
AAC046	TATYOON-Hermitage	670431.5	5848256.7	265	50	**3m @ 0.23 g/t Au** from 47m
AAC047	TATYOON-Hermitage	669741.5	5848376.7	266	69	NSR
AAC048	TATYOON-Hermitage	669801.5	5846626.7	274	84	NSR
AAC050	TATYOON-Grange	672341.5	5847846.7	280	28	NSR
AAC051	TATYOON-Grange	672341.5	5847536.7	277	25	NSR
AAC052	TATYOON-Grange	672501.5	5847536.7	278	29	NSR
AAC053	TATYOON-Grange	673381.5	5847876.7	282	37	NSR
AAC054	TATYOON-Grange	672364.5	5847853.7	282	84	9m @ 62 ppb Au from 61m
AAC055	TATYOON-Grange	672421.5	5848178.7	280	72	NSR
AAC056	TATYOON-Grange	672338.5	5848181.7	278	81	NSR
TTD001	TATYOON-Grange	672401.5	5847896.7	282	184.4	**1.8m @ 4.21 g/t Au** from 91.4m
TTD002	TATYOON-Grange	672271.5	5847536.7	275	337.1	**0.3m @ 0.75 g/t Au** from 141.1m
TTD003	TATYOON-Grange	672301.5	5847871.7	277	256.2	**0.9m @ 0.59 g/t Au** from 213.9m

AAC prefix = aircore holes with RC pre-collar, TTD prefix = Diamond drill holes, NSR = No significant result

Criteria	Commentary
Tenement and land tenure	• The Grange prospect lies within Navarre's 100% owned exploration licence EL5480 which was granted on 9th September 2014 for 5 years. • The prospect occurs predominantly across freehold pastoral land and lesser public road reserves with no Native Title.
Exploration done by other parties	• The exploration results reported are wholly from activities conducted by SGM since 2004. Initial work was done by SGM owners, MPI Mines Pty Ltd under a farm-in agreement to exploration licence EL4695 then held by Reliance Mining Ltd. Following listing and later de-merger of MPI resulting in ASX float of Leviathan Resource Ltd in late 2004, the licence was acquired (100%) by Northgate Australian Ventures (now owner of SGM following 2 successive takeovers). In 2008 Northgate offered Rimfire Australia Pty Ltd a partnership option to explore EL4695 at Tatyoon and surrounds which ended in 2012. The licence was subsequently allowed to expire in April 2013. • SGM and Rimfire conducted a series of gravity surveys and IP geophysical lines across basalt targets including Tatyoon, Langi Logan and Westmere now held 100% by Navarre Minerals. This data has recently been utilised by Navarre to model the location of IP anomalies and gold in drilling relative to the basement basalt domes at the Grange and Hermitage prospects. • Further open file information concerning the exploration upon EL4695 can be found at the Victorian Geological Survey.
Geology	• The project area is considered highly prospective for the discovery of economic gold deposits of similar character to Stawell's Magdala Gold Mine. The Stawell Goldfield has produced over 5 million ounces of gold since discovery in 1855. • Drilling intersects thin Tertiary basalt (28 to 66m), quartz gravels, clay and thin coal beds, then saprolitic to fresh Paleozoic bedrock. The northern (and probably eastern) margin of the basalt is in close contact to the Ararat Granite
Drill hole Information	• A summary of drill hole information is provided in the above Table of significant results. All drill holes at Tatyoon are listed in the table. All exploration drill assays reported are as downhole intervals. • All three diamond drill holes were collared as follows: Hole / Dip / GDA_Azimuth TTD001 / -55 / 99.5 TTD002 / -58.5 / 99.8 / assumed same as 30m dhole survey TTD003 / -61.7 / 90.3 / assumed same as 30m dhole survey • A single deep diamond hole was drilled into the Hermitage dome in 1983 by Australian Anglo-American (AA5 668947.2m GDA_E, 5848927.4m GDA_N, 256.76m RL, -60° towards 081° GDA94). Geology logs for this 265.5m deep hole are poor and describe the basement rock intersected as "amphibolite" suggesting a possible higher metamorphic grade than known from diamond cores at Grange. Disseminated sulphides from 60m downhole and anomalous copper grades to 0.2% Cu and silver grades to 33 ppm Ag were recorded. These results are hard to verify. • Two other historical RC percussion holes are recorded being drilled near the Hermitage dome, however, their location is poorly recorded and no lithological logs exist. No significant assays are reported.
Data aggregation	• Significant gold intercepts are calculated using a 0.1g/t Au cut off for diamond drill results and 15ppb Au for aircore results. No top cuts are used.
Mineralisation relationship	• The relationship between mineralisation widths and intercept grades is not known with insufficient diamond drill information to define the geometry of mineralised structures.
Balanced reporting	• Comprehensive reporting has been undertaken with both mineralised and unmineralised holes/samples listed in attached tables and figures. • All existing drill holes at Grange and Hermitage are reported.
Further work	• Navarre is highly encouraged that high gold grades have been found within a typical Magdala-style "Waterloo" structure at Grange, and that the western flank of the 3D modelled basalt dome is coincident with strong IP chargeability anomalies. This western flank is a prime target for diamond drilling on each IP section. With success infill drilling between sections will be required. • A number of diagrams are included which show the >1.5km long modelled Grange Western Flank target and nearby 'Waterloo' sediment embayments into the Grange basalt dome, one of which is known from past exploration to be gold bearing on 2 sections 350m apart.