21 January 2015

December 2014 Quarter

Report to Shareholders

ASX Code: NML

Navarre Minerals Limited
ABN 66 125 140 105

Corporate Details

Issued capital:
72.6M ordinary shares
2.07M 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)

Wessley Edgar
(Exploration Manager)

Contact Details

Geoff McDermott
Managing Director

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KEY POINTS

- **New Exploration Target[1] of between 0.8 – 1.9 million ounces of gold estimated for Tatyoon's Grange prospect:**
  - ✓ 1.5km long west flank Exploration Target[1] is undrilled and strongly supported by 4 geophysics sections
  - ✓ Confirmed Stawell-style gold mineralisation of up to 8.3 grams per tonne at shallow depths in past drilling of central targets
  - ✓ Drill contractor engagement and exploration work plan approvals anticipated in coming quarter
- **Assessment of historical exploration data highlights prospective undrilled copper and gold targets at Glenlyle Project**
- **Navarre registers for co-funding grants through the Victorian Government's TARGET Initiative for assistance with drilling at Eclipse, Glenlyle, Lexington and Tatyoon**

1. EXPLORATION

Navarre Minerals Limited (ASX: NML) ("Navarre" or "the Company") is actively working towards unlocking the gold and copper potential of western Victoria's emerging and proven mineral corridors (Figure 1).

Exploration during the December quarter focused on:

- the search for new long-life gold deposits in the proven Stawell gold corridor (Tatyoon Project);
- the search for large low-cost copper and gold deposits in the emerging Western Victorian copper belt; and
- examining transformational opportunities to add value to the Company.

[1] Exploration Targets are conceptual in nature and there is insufficient information to establish whether further exploration will result in the determination of a Mineral Resource or Ore Reserve.

1.1 STAWELL CORRIDOR GOLD PROJECT (EL 5480 & ELA 5476)

The Stawell Corridor Gold Project, incorporating a 2004 discovery of gold under-cover at Tatyoon and the historic Ararat Goldfield, is located up to 50 kilometres south-east of the operating Stawell Gold Mine which is owned by Navarre's largest shareholder and leading Victorian gold producer, Crocodile Gold Corp. (Figures 1 & 2).

Ninety percent of the prospective Stawell Corridor lies buried beneath shallow cover, only to surface between Stawell and Ararat where approximately 6 million ounces of gold have been historically mined (Figure 2).

Gold mineralisation of the Stawell-type is uniquely located on the flanks of large basalt dome structures. The style of the gold mineralisation is much finer grained, more continuous and more predictable than the gold deposits typically found at Bendigo and Ballarat.

Tatyoon (EL 5480)

During the quarter the Company completed a compilation and assessment of historical exploration data, including re-processing and modelling of existing geophysical surveys. This work identified a 1,500 metre long undrilled Stawell-style gold target located on the west flank of the Grange basalt dome (Figures 3 & 4). Using a Stawell Magdala Mine analogy, the Company has estimated an Exploration Target[1] at Grange of 0.8 to 1.9 million ounces of gold, located from 35 metres depth to approximately 300 metres below surface.

Evidence supporting the Company's Grange Exploration Target[1] includes:

- the presence of drill confirmed gold mineralisation of up to 8.3 grams per tonne and analogous Stawell Mine geology within a strong geophysics anomaly in the centre-top of the Grange basalt dome. Previous drill intercepts include*:
  - ✓ AAC021 – **5m at 1.4 g/t gold** from within an interval of **20m at 0.5 g/t gold** from 35m depth;
  - ✓ AAC021 – **2m at 2.6 g/t gold** from 66m; and
  - ✓ TTD001 – **1.8m at 4.2 g/t gold** from 91.4m (**inc. max grade of 0.8m at 8.3 g/t gold from 92.4m**)

  **Please refer to NML's 18 November 2014 ASX announcement for a complete listing of previous drill results*
- similar dimensions of the Grange basalt dome to the producing Magdala Mine basalt dome at Stawell (Figure 5);
- 80% of the gold produced from the Magdala Mine was derived from the western flank of the Magdala Basalt dome. Similarly, the largest geophysical target at Grange is located on the western flank of the basalt dome; and
- the 1,500 metre long Grange Exploration Target[1] is strongly supported by four, IP geophysics chargeability anomalies (see Figure 4).

The Company has lodged an exploration work plan with the relevant Victorian Government agency seeking permission for a drill program to test the Grange and nearby Hermitage targets. The Company anticipates receipt of permissions and engagement of a drilling contractor in the coming quarter.

[1] Exploration Targets are conceptual in nature and there is insufficient information to establish whether further exploration will result in the determination of a Mineral Resource or Ore Reserve.

1.2 WESTERN VICTORIA COPPER PROJECT (ELs 4590, 5425, 5426 & 5497)

Navarre's 100%-owned Western Victoria Copper Project captures multiple, largely untested targets in 130km of Miga Arc volcanics (Figure 1), including the Eclipse, Lexington, Glenlyle and Pollockdale prospects. The Miga Arc is recognised as a continental margin arc setting similar to the Andes, host to the world's largest known copper porphyry deposits.

Eclipse prospect (EL 4590)

Broad intervals of copper and gold mineralisation were intersected and reported last quarter from shallow drilling beneath a supergene enriched copper blanket. These results were compiled with geology, geophysics and alteration mineralogy into a new 3D model. The model is assisting drill design by providing vectors towards a deeper target zone to be tested with subsequent drilling (Figure 6).

Analysis of preliminary data from a recent gravity survey at Eclipse, undertaken in collaboration with Monash University, indicates the mineralisation discovered at Eclipse coincides with a significant density contrast boundary believed to be reflecting an ancient seafloor position, an ideal position for the formation of massive sulphide deposits (VMS). Targets such as VMS generally occur in clusters within a single stratigraphic layer often referred to as the "favourable horizon". The Company believes the favourable horizon detected at Eclipse can be tracked under cover for several tens of kilometres using geophysics and offers an exciting new exploration target.

In this current quarter the Company plans to expand the gravity survey, particularly to the south of the known Eclipse mineralisation to complement drill targeting.

During the quarter the Company registered its interest for a co-funded drilling program at Eclipse through the Victorian Government's new $15 million TARGET Minerals Exploration Initiative to boost minerals exploration in Victoria.

Stavely - Lexington prospect (EL 5425)

At Lexington, the search continued for porphyry copper-style mineralisation. A ground gravity survey to assist interpretation of geology and structure of the prospect was approximately 75% complete by the end of the quarter. Data from the survey will be interpreted during the current quarter and is expected to assist with advancing key exploration targets towards drill ready status.

Glenlyle (EL 5497)

The recently granted Glenlyle exploration licence covers 61 square kilometres of the Miga Arc copper belt in an area considered prospective for the discovery of VMS and porphyry-style copper-gold deposits.

The Company has completed its review of previous exploration data and has identified several key exploration targets containing encouraging signs for porphyry and VMS prospectivity on the basis of:

- **favourable geology** – preserved broad areas of high level volcanics and intrusive rocks hidden beneath a thin cover (5-40m thick) of recent basalt;
- **encouraging alteration** – possible propylitic to phyllic assemblages;
- **magnetic features -** possibly indicating intrusions or alteration (possibly potassic);
- **significant Induced Polarisation chargeability anomalies** - largely untested; and
- **gold and base metal geochemical anomalism -** with the best anomaly untested.

The Company is planning an exploration program to test several of these key targets and has registered for co-funding through the Victorian Government TARGET initiative to assist with the Company's first drilling at Glenlyle.

1.3 LANDSBOROUGH FAULT GOLD PROJECT – Kingston (EL 5280)

No exploration activity was undertaken during the quarter.

1.4 TANDARRA GOLD PROJECT (EL 4897)

The Tandarra Gold Project is a greenfields gold discovery under shallow cover, 40 kilometres north of the 22 million ounce Bendigo Goldfield (Figure 1). Under a 2014 Heads of Agreement, project manager Catalyst Metals Limited ("Catalyst") has the right to earn a 51% equity interest in the Tandarra Gold Project by incurring exploration expenditure of $3 million over the next four years.

Catalyst is preparing for its first drilling program at Tandarra under its stewardship, comprising infill RC or diamond drilling on the Tomorrow line of reef and reconnaissance air-core drilling on the regional mineralisation trends. Drilling is expected to commence in the first quarter of 2015.

2. ACTIVITIES PLANNED FOR THE MARCH QUARTER

Eclipse:

- Expand gravity surveying south of known mineralisation
- Finalise design of deeper and southern extension drilling at Eclipse Target 1

Lexington:

- Complete and process gravity survey data
- Plan first drilling of prospect

Tatyoon:

- Obtain government and landholder approvals for first phase of drilling at Grange and Hermitage prospects
- Tender and engage drilling contractors

Glenlyle:

- Review previous drill samples held by Victoria's Geological Survey
- Plan first drilling of the project

3. CORPORATE

The Company continues to examine transformational opportunities to add value to the Company. These opportunities have progressed to discussions with several parties and remain incomplete.

The Company has received notification from AusIndustry that its R&D tax incentive registration for the 2011/12 year remains under review. The Company is preparing additional information and evidence in support of its claimed R&D activities.

The cash balance as at 31 December 2014 was $0.7 million ($0.9 million at 30 September 2014).

4. ANNOUNCEMENTS

Investors are directed to the following announcements (available at www.navarre.com.au) made by Navarre Minerals during the December 2014 Quarter for details of the information summarised in this Report.

21 November 2014	Results of Annual General Meeting
21 November 2014	Amended Constitution
21 November 2014	2014 Managing Director's AGM Presentation
18 November 2014	Tatyoon Gold Project and Company Update – Open Briefing
08 October 2014	Notice of Annual General Meeting & Proxy Form

5. COMPANY MINERAL TENEMENT PORTFOLIO

The mineral tenement holding of the Navarre Minerals Limited Group (including Navarre's wholly-owned subsidiary Black Range Metals Pty Ltd) at 31 December 2014 is:

Name	Tenement	Tenure Type	Status	NML Group Interest
BENDIGO NORTH GOLD PROJECTS (north of Bendigo, Victoria)				
Tandarra	EL 4897	Exploration Licence	Granted	100%*
LANDSBOROUGH FAULT GOLD PROJECT (east of Stawell, Victoria)				
Kingston	EL 5280	Exploration Licence	Granted	100%
STAWELL CORRIDOR GOLD PROJECT (south of Ararat, Victoria)				
Ararat	*ELA 5476*	*Exploration Licence*	*Pending*	*0%*
Tatyoon	EL 5480	Exploration Licence	Granted	100%
WESTERN VICTORIA COPPER PROJECT (west of Stawell, Victoria)				
Black Range	EL 4590	Exploration Licence	Granted	100%
Stavely	EL 5425	Exploration Licence	Granted	100%
Cherrypool	EL 5426	Exploration Licence	Granted	100%
Glenlyle	EL 5497	Exploration Licence	Granted	100%

*The Company has granted Catalyst Metals Limited the right to earn a 51% interest in Tandarra by expenditure of $3 million over a four year period.

The Company's beneficial interests in any farm-in or farm-out agreements did not change during the quarter, except as specifically stated elsewhere in this Report.

– ENDS –

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's aim is to discover and develop large low-cost copper and gold production through its exploration successes.

The Company is targeting large porphyry- copper, VMS and gold deposits. The Eclipse, Lexington, Pollockdale and Glenlyle prospects are four initial porphyry and/ or VMS targets identified within the Western Victoria Copper Project. The Project captures multiple, largely untested targets in 130km of western Victoria's newly uncovered Miga Arc volcanics. The Miga Arc is similar in setting to the Andes in South America, host to the world's largest known collection of porphyry copper deposits. Grassroots exploration of the Company's extensive exploration permits is at an early stage and more than 50 new targets remain to be thoroughly drill tested.

Navarre is searching for new long-life gold deposits in the partially covered extension of a corridor of rocks that host the Stawell (5 million ounce) and Ararat (1 million ounce) gold deposits. The exciting Tatyoon discovery is the Company's prime focus, located 50km south-east of the operating Stawell Gold Mine which is owned by Navarre's largest shareholder and leading Victorian gold producer, Crocodile Gold Corp.

The high-grade North Bendigo Goldfield, Tandarra prospect in central Victoria 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.

Navarre has a highly experienced leadership team with 120 combined years of exploration, mining and finance industry experience with a proven track-record of discovery and project development.

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 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.

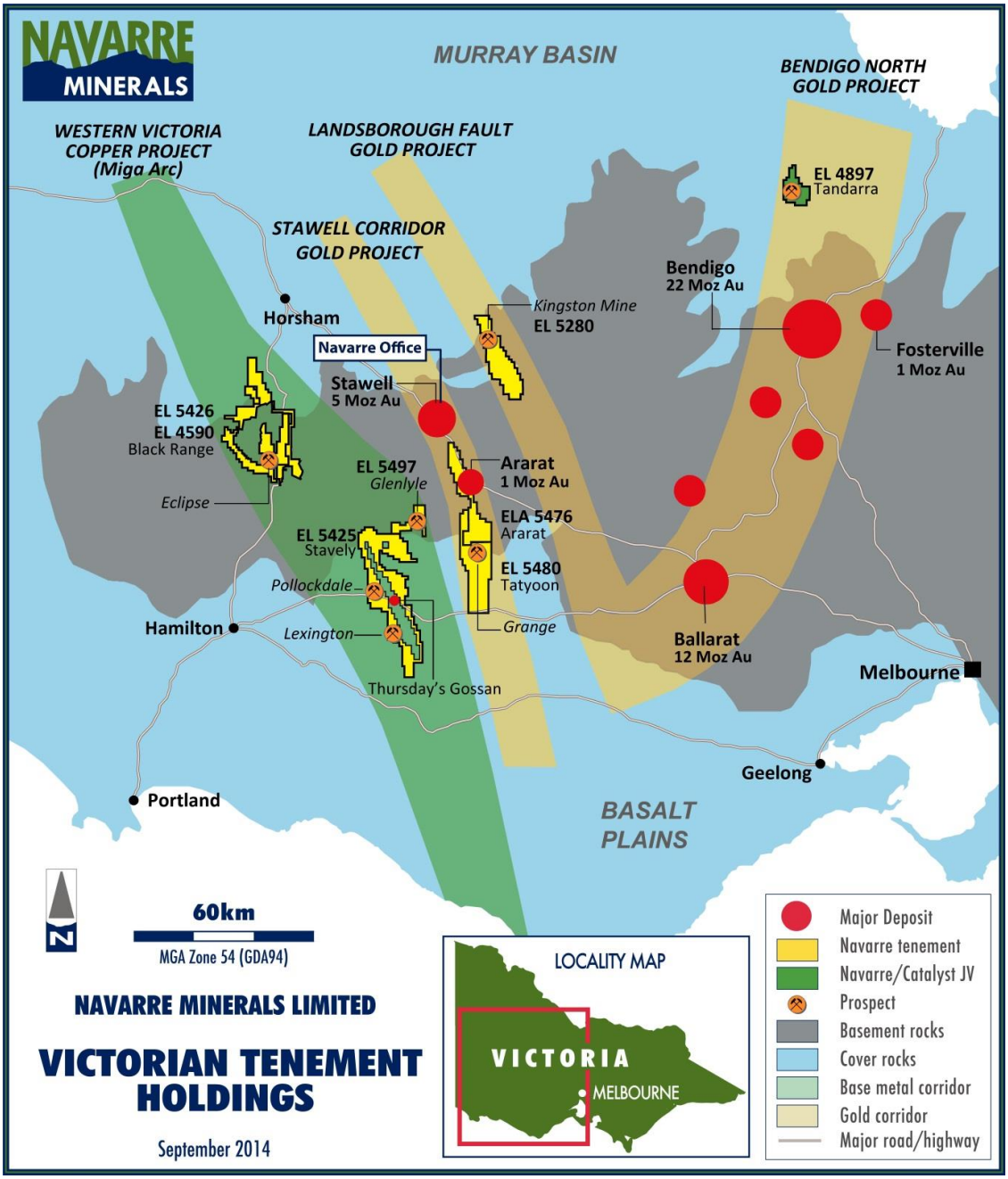


Figure 1: Location of Navarre's Victorian mineral projects

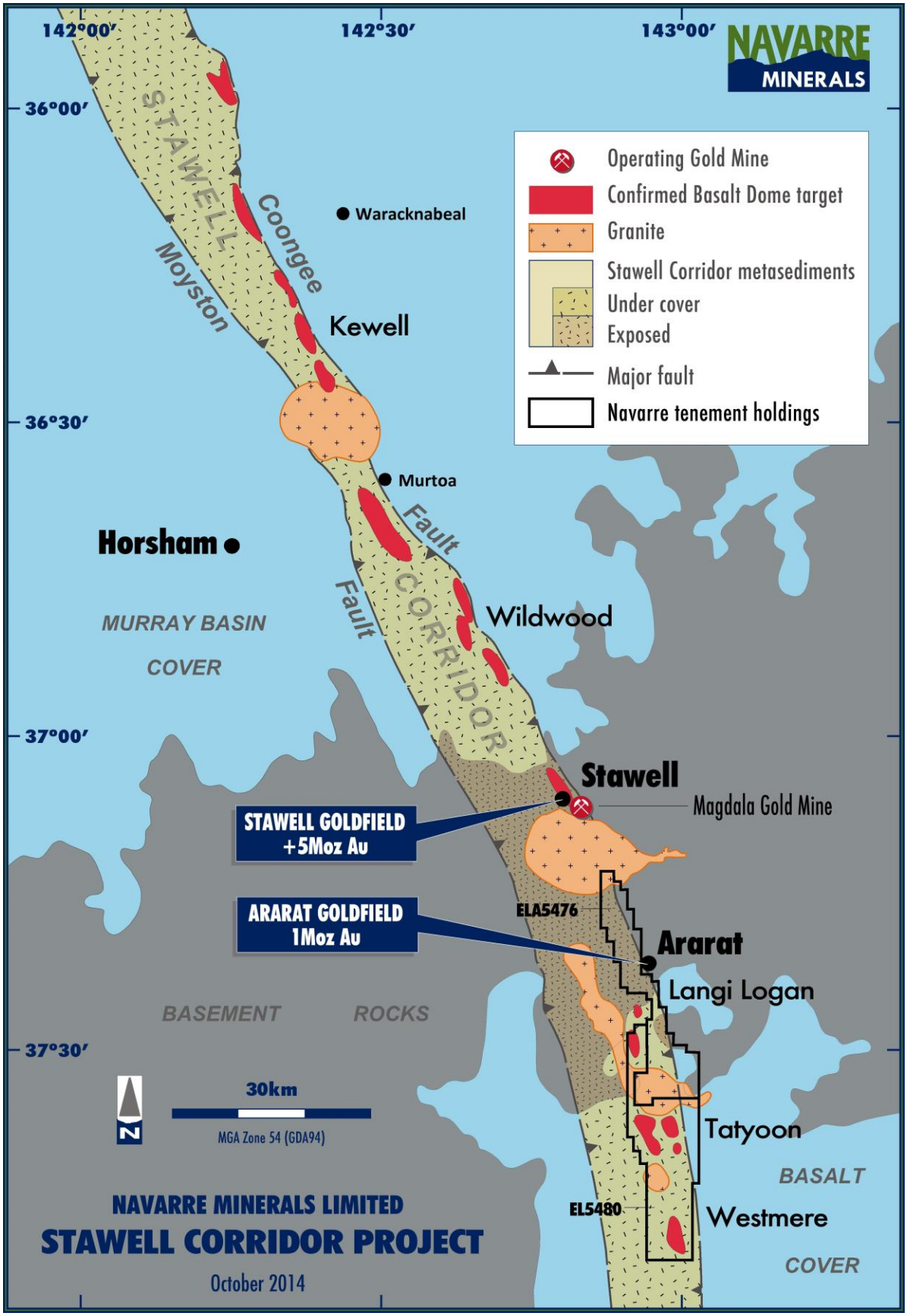


Figure 2: Plan of the Stawell Gold Corridor showing basalt dome target locations

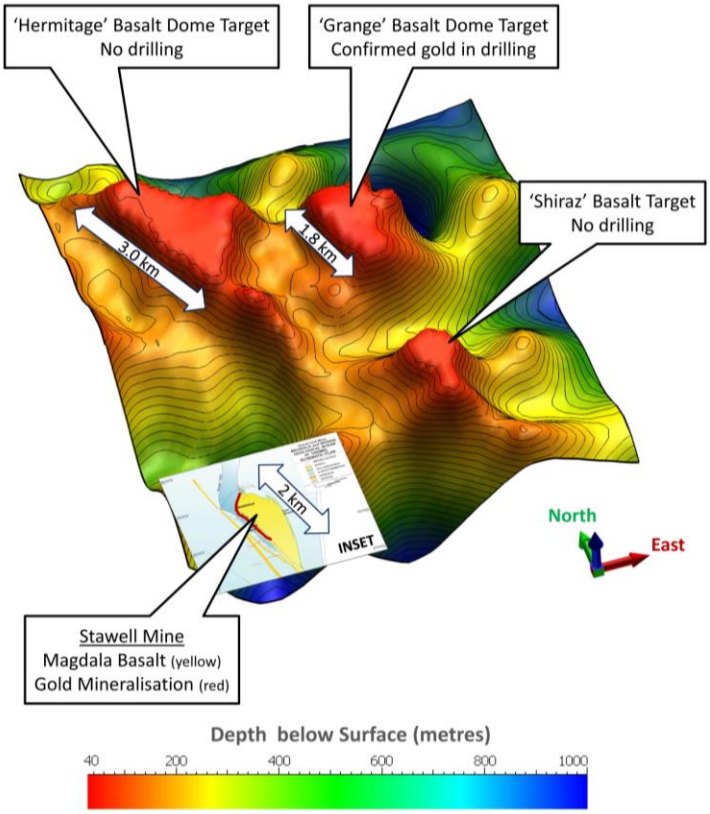


Figure 3: Perspective view of three shallow Tatyoon basalt dome targets generated from gravity modelling. The inset shows a plan of Stawell Gold Mine's Magdala deposit at the same scale for comparison. *(The Stawell Magdala plan is reproduced courtesy of Stawell Gold Mines.)*

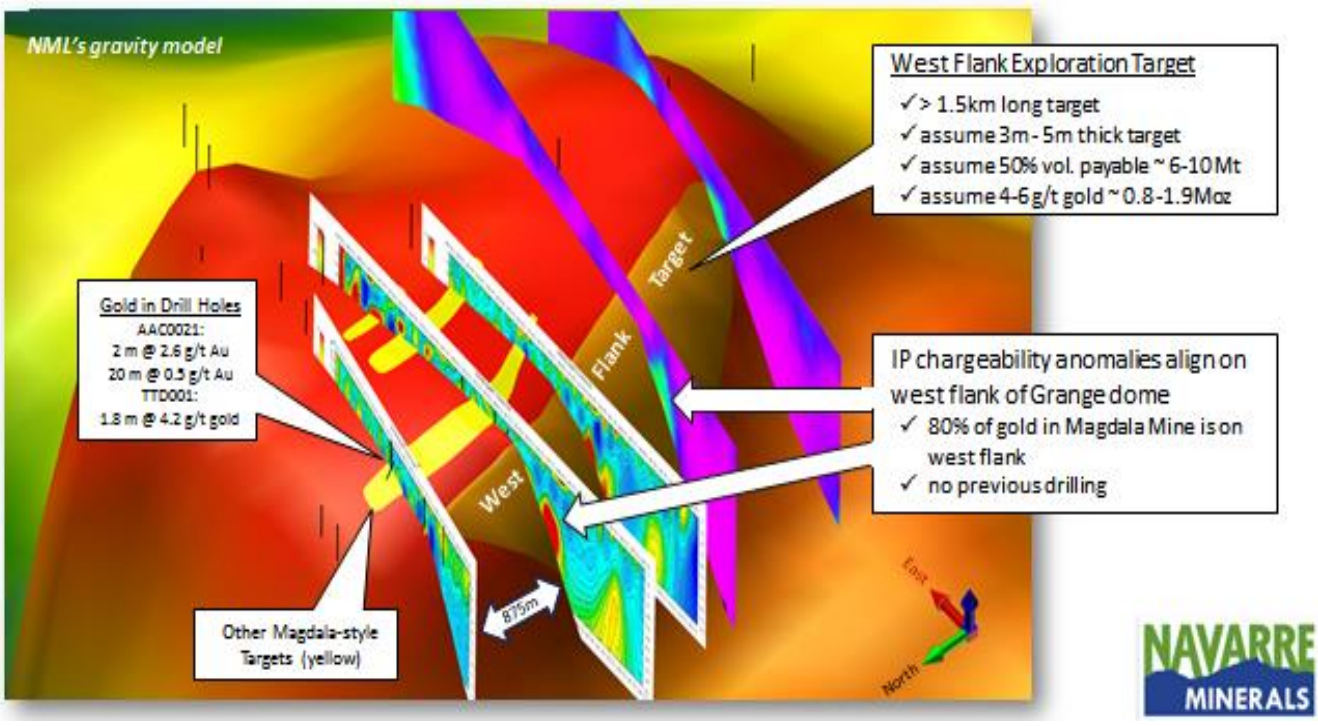


Figure 4: Perspective view of Grange west flank Exploration Target with respect to geophysical sections and previous drilling.

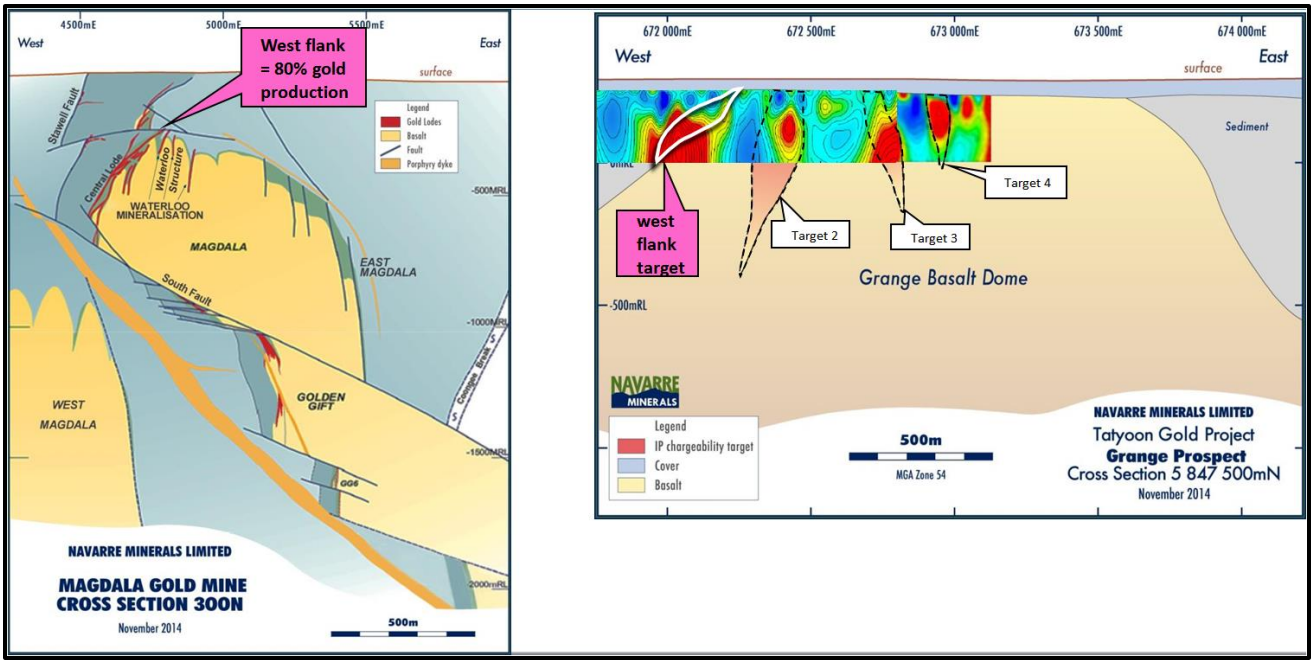


Figure 5: Cross-section comparison, at the same scale, of the Magdala Gold Mine and Grange prospect (IP chargeability targets in red). *(The Stawell Magdala plan is reproduced courtesy of Stawell Gold Mines.)*

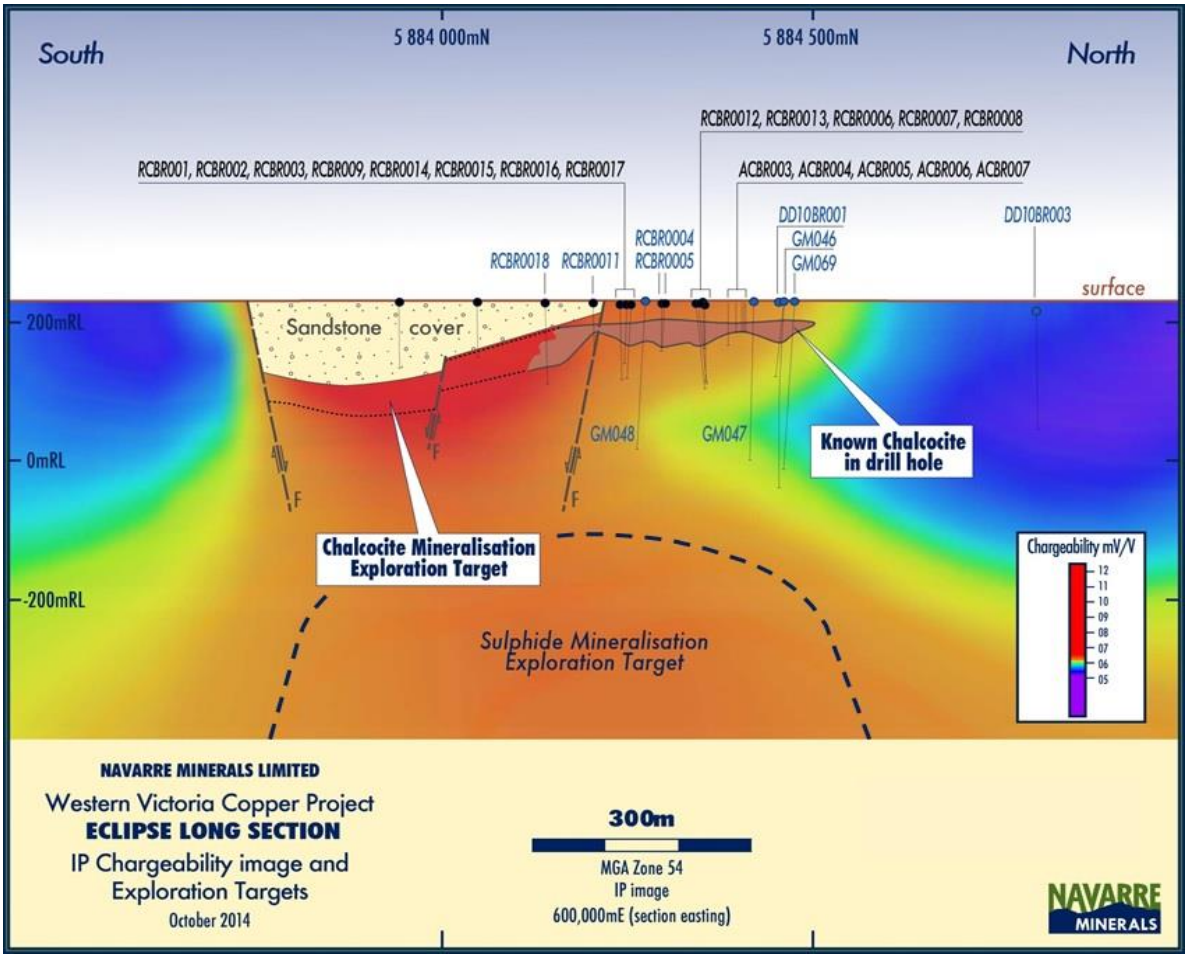


Figure 6: Longitudinal projection of the Eclipse VMS target showing location of recent drilling, the supergene chalcocite blanket and interpretation of deeper target zone.