NAVARRE MINERALS LIMITED

ABN 66 125 140 105

Half-Year Financial Report and Directors' Report
31 December 2013

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
Jane Nosworthy

Registered Office & Principal Operations Office
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Website www.navarre.com.au

Share Registrar
Boardroom Pty Limited
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Facsimile +61 (3) 9279 0664

Auditor
RSM Bird Cameron Partners
Level 21,
55 Collins Street
Melbourne Victoria 3000 Australia

Stock Exchange Listing
Australian Securities Exchange
ASX Limited
Level 4, North Tower, Rialto
525 Collins Street
Melbourne Victoria 3000 Australia
ASX Code: NML

Incorporated 30 April 2007
Victoria, Australia

Contents

Directors' Report	2
Auditor's Independence Declaration	4
Consolidated Statement of Comprehensive Income	5
Consolidated Statement of Financial Position	6
Consolidated Statement of Changes in Equity	7
Consolidated Statement of Cash Flows	8
Notes to the Consolidated Financial Statements	9
Directors' Declaration	12
Independent Auditor's Review Report	13

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 Company or not currently considered material by the Company.

Navarre Minerals Limited

ABN 66 125 140 105

DIRECTORS' REPORT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2013

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 2013.

1. DIRECTORS

The names and details of the Company's directors in office during the half-year ended 31 December 2013 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*** (Non-Independent)
Geoff McDermott	***Managing Director***
John Dorward	***Non-Executive Director*** (Non-independent)
Colin Naylor	***Independent Non-Executive Director*** (Independent)

2. REVIEW OF OPERATIONS

Financial Results

The loss after tax of the Company for the half-year was $205,827 (31 December 2012: loss after tax of $325,316).

Summary of Operations

The focus of Navarre's exploration activity during the half year has been the Western Victoria Copper Project.

a. Western Victoria Copper Project (Black Range (EL 4590), Stavely (EL 5425), Mitre (EL 4973), Cherrypool (EL 5426) & Glenlyle (ELA 5497))

The Eclipse prospect is one of four porphyry targets identified by Navarre within its 100%-owned Western Victoria Copper Project. The Project captures multiple, largely untested targets in 130 kilometres of Miga Arc volcanics. The Miga Arc is recognised as a continental margin arc setting like the Andes, host to the world's largest known copper porphyry deposits.

As announced on 5 December 2013, Navarre commenced its field season with an Induced Polarisation (IP) geophysics survey over the Eclipse prospect. The 3D survey was aimed at delineating primary copper and gold mineralisation associated with a predicted porphyry beneath a surface geochemical footprint of 1,000m by 500m. The survey was completed in December 2013.

Preliminary results of the survey indicate three targets to be present: a porphyry target; and two discrete chargeability anomalies interpreted to represent epithermal or breccia pipes.

Subsequent to the half year, the Company announced on 28 January 2014 the commencement of a shallow Reverse Circulation drill program comprising 10-15 drill holes for approximately 1,000 metres aimed at confirming a supergene blanket of secondary copper (chalcocite) mineralisation. Results from the program are anticipated in March 2014.

Regionally 50 exploration targets have been generated from a review of previous work, including geophysical data from the Company's Miga Arc tenements. Field checking, has highlighted 16 priority gold and copper targets. Surface geochemical soil surveys across these priority targets was commenced, with seven confirmed as exhibiting porphyry-style geology with anomalous mineralisation. It is planned to rank and prioritise for follow-up activities the remaining 34 targets in 2014.

On the Stavely licence, 249 soil samples have been taken since January 2013. This work has generated six anomalies warranting ongoing exploration over the Lexington and Pollockdale porphyries.

Navarre has been awarded priority for a mineral exploration licence covering the Glenlyle porphyry-copper and gold prospect. The licence application area adjoins the eastern side of Navarre's Stavely licence.

b. Bendigo North Gold Project (Tandarra (EL 4897))

Following commissioning of the Company's Stawell-based bulk testing facility, the Company has prepared approximately 200 samples from RC residues collected over the past 18 months in readiness for processing for contained gold to help estimate the nugget effect within the Tomorrow line of reef at Tandarra.

The bulk testing program is expected to take several months to complete.

c. Raydarra and Sebastian Gold Projects (EL 4536 & EL 4974)

There was no significant exploration activity undertaken during the half.

d. Landsborough Fault Gold Project (Kingston (EL 5280) & Glendhu (EL 5380))

There was no significant exploration activity undertaken during the half.

e. Stawell Corridor Gold Project (Ararat (ELA 5476) & Tatyoon (ELA 5480))

Navarre was awarded priority over two mineral exploration licences covering the historic Ararat Goldfield and its possible southern extension located under shallow basalt cover at Tatyoon.

Subsequent Events

There were no significant matters that arose subsequent to 31 December 2013 and up until the date of this report.

3. OTHER MATTERS

Share Issues

No shares were issued by the Company during the half year ended 31 December 2013.

Share Options

No share options were issued by the Company during the half year ended 31 December 2013. 250,000 unlisted share options and 1,846,693 bonus share options in the Company expired on 31 December 2013.

Auditor's Independence Declaration

The directors have received the independence declaration from the auditor, RSM Bird Cameron Partners, set out on page 4.

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, 11 March 2014

RSM Bird Cameron 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 2013, 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 review; and

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

RSM BIRD CAMERON PARTNERS

J S CROALL
Partner

Melbourne, VIC
Dated: 11 March 2014

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Navarre Minerals Limited
ABN 66 125 140 105

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2013

	Note	31/12/2013	31/12/2012
		$	$
Interest income		29,388	25,033
Income		**29,388**	**25,033**
Net administration expenses	4	(223,971)	(339,171)
Exploration expenditure written-off		(11,244)	(11,178)
Loss before income tax		**(205,827)**	**(325,316)**
Income tax expense		-	-
Net loss for the period		**(205,827)**	**(325,316)**
Total comprehensive loss for the period		**(205,827)**	**(325,316)**
Basic loss per share (cents per share)		(0.35)	(0.69)
Diluted loss per share (cents per share)		(0.35)	(0.69)

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

Navarre Minerals Limited
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CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2013

	Note	31/12/2013	30/06/2013
CURRENT ASSETS		$	$
Cash and cash equivalents	5	1,161,197	571,281
Trade and other receivables		33,551	1,463,338
Other financial assets	6	-	10,000
TOTAL CURRENT ASSETS		1,194,748	2,044,619
NON-CURRENT ASSETS			
Other financial assets	6	50,000	50,000
Property, plant and equipment		143,998	154,147
Leasehold improvements		3,583	4,349
Exploration and evaluation costs	7	4,783,465	4,342,324
TOTAL NON-CURRENT ASSETS		4,981,046	4,550,820
TOTAL ASSETS		**6,175,794**	**6,595,439**
CURRENT LIABILITIES			
Trade and other payables		180,525	429,613
Provisions		38,718	33,261
TOTAL CURRENT LIABILITIES		219,243	462,874
TOTAL LIABILITIES		**219,243**	**462,874**
NET ASSETS		**5,956,551**	**6,132,565**
EQUITY			
Contributed equity	8	8,303,049	8,303,049
Share based payments reserve		291,614	265,501
Accumulated losses		(2,638,112)	(2,435,985)
TOTAL EQUITY		**5,956,551**	**6,132,565**

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

Navarre Minerals Limited

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2013

	Issued Capital $	Share Based Payments Reserve $	Accumulated Losses $	Total Equity $
Balance at 1 July 2013	**8,303,049**	**265,501**	**(2,435,985)**	**6,132,565**
Net loss for the period			(205,827)	(205,827)
Total comprehensive loss for the year			**(205,827)**	**(205,827)**
Transactions with owners in their capacity as owners:				
Cost of share based payments	-	29,813	-	29,813
Transfer of equity instruments lapsed	-	(3,700)	3,700	-
At 31 December 2013	**8,303,049**	**291,614**	**(2,638,112)**	**5,956,551**

	Issued Capital $	Share Based Payments Reserve $	Accumulated Losses $	Total Equity $
Balance at 1 July 2012	**7,782,800**	**179,936**	**(1,832,241)**	**6,130,495**
Net loss for the period			(325,316)	(325,316)
Total comprehensive loss for the year			**(325,316)**	**(325,316)**
Transactions with owners in their capacity as owners:				
Cost of share based payments	-	66,204	-	66,204
Share issues	569,000	-	-	569,000
Costs of issues	(48,751)	-	-	(48,751)
Transfer of equity instruments lapsed	-	(7,026)	7,026	-
At 31 December 2012	**8,303,049**	**239,114**	**(2,150,531)**	**6,391,632**

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

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CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2013

	31/12/2013	31/12/2012
CASH FLOWS FROM OPERATING ACTIVITIES	**$**	**$**
Payments to suppliers and employees	(290,553)	(157,659)
Interest received	21,200	25,418
Net cash (used in) operating activities	**(269,353)**	**(132,241)**
CASH FLOWS FROM INVESTING ACTIVITIES		
Expenditure on plant and equipment	(42,343)	(42,302)
Proceeds from sale of plant and equipment	25,546	
Expenditure on exploration tenements	(341,945)	(754,789)
Research and development tax incentive refund (net)	1,218,011	-
Net cash from / (used in) investing activities	**859,269**	**(797,091)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from share issues	-	569,000
Transaction costs on issue of shares	-	(26,750)
Net cash from financing activities	**-**	**542,250**
Net increase / (decrease) in cash and cash equivalents	**589,916**	**(387,082)**
Cash and cash equivalents at beginning of period	571,281	1,455,134
Cash and cash equivalents at end of period (Note 5)	**1,161,197**	**1,068,052**

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 2013

NOTE 1: CORPORATE INFORMATION

The financial report of Navarre Minerals Limited ("Navarre Minerals", or the "Company") for the half-year ended 31 December 2013 was issued on 11 March 2014 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 Note 3.

NOTE 2: BASIS OF PREPARATION AND ACCOUNTING POLICIES

(a) Basis of Preparation

This general purpose financial report for the half-year ended 31 December 2013 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 consolidated entity 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 2013 and considered together with any public announcements made by Navarre Minerals Limited during the half-year ended 31 December 2013 in accordance with the continuous disclosure obligations of the ASX listing rules.

Australian Accounting Standards and Interpretations that have recently been issued or amended, but are not yet effective, have not been adopted by the Company for the reporting period ending 31 December 2013.

Other accounting policies and methods of computation remain the same as those adopted and disclosed in the most recent annual financial report.

NOTE 3: SEGMENT INFORMATION

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

NOTE 4: NET ADMINISTRATION EXPENSES

	Consolidated	
	31/12/2013	31/12/2012
	$	$
Net administration expenses		
Consultants fees and expenses	-	6,348
Directors remuneration (non-executive)	54,625	59,950
Salaries and on-costs	345,289	440,422
Share based payments	29,813	66,204
Investor relations	679	11,463
Motor vehicle expenses	8,504	12,932
Audit costs	9,407	9,500
Stock exchange registry and reporting costs	28,609	29,947
Travel costs	3,708	10,102
Depreciation and amortisation	29,529	27,582
Other administration expenses	29,977	45,289
Gross administration expenses	540,140	719,739
Allocated to exploration licences	(316,169)	(380,568)
Net administration expenses	223,971	339,171

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2013

NOTE 5: CASH AND CASH EQUIVALENTS

	Consolidated	
	31/12/2013	**30/06/2013**
	$	**$**
Cash at bank and in hand	1,161,197	571,281
	1,161,197	571,281

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

NOTE 6: OTHER FINANCIAL ASSETS

	Consolidated	
	31/12/2013	**30/06/2013**
Current	**$**	**$**
Term Deposits	-	10,000
	-	10,000

	Consolidated	
	31/12/2013	**30/06/2013**
Non-current	**$**	**$**
Bank Guarantees – Exploration Permits	50,000	50,000
	50,000	50,000

NOTE 7: EXPLORATION AND EVALUATION COSTS

	Consolidated	
	31/12/2013	**30/06/2013**
	$	**$**
Balance at beginning of the period	4,342,324	4,535,724
Expenditure for the period	452,385	1,271,064
Research and development tax incentive refund (net of costs)	-	(1,413,623)
Expenditure written-off during the period	(11,244)	(50,841)
	4,783,465	4,342,324

Capitalised exploration and evaluation costs at 31 December 2013 are $4,783,465 (June 2013: $4,342,324) which relate to Bendigo North ($3,395,345), Western Victoria Copper Project ($942,497), Landsborough Fault ($442,599) and Stawell Corridor ($3,024).

NOTE 8: CONTRIBUTED EQUITY AND RESERVES

	Consolidated			
	31/12/2013	**31/12/2013**	**30/06/2013**	**30/06/2013**
	Shares	**$**	**Shares**	**$**
ISSUED AND PAID UP CAPITAL				
Ordinary shares	59,622,973	8,303,049	59,622,973	8,303,049
	59,622,973	8,303,049	59,622,973	8,303,049

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 2013.

NOTE 10: SHARE BASED PAYMENT PLANS

No share options were granted to employees of the Company during the half-year ended 31 December 2013. 250,000 unlisted share options in the Company expired on 31 December 2013.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2013

NOTE 11: EVENTS SUBSEQUENT TO BALANCE DATE

There were no significant matters that arose subsequent to 31 December 2013 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 2013 are in accordance with the *Corporations Act* 2001, including:

(i) Giving a true and fair view of the consolidated entity's financial position as at 31 December 2013.

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

(b) There are reasonable grounds to believe that the Company 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, 11 March 2014

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INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF

NAVARRE MINERALS LIMITED

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Navarre Minerals Limited which comprises the condensed consolidated statement of financial position as at 31 December 2013, the condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed 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 consolidated entity 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 Half-Year 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 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 financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2013 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.

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 review report.

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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 consolidated entity's financial position as at 31 December 2013 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 BIRD CAMERON PARTNERS

J S CROALL
Partner

Melbourne, VIC
Dated: 11 March 2014