

NAVARRE
MINERALS

EXTRAORDINARY GENERAL MEETING
Monday, 15 November 2021
at 2.00pm (AEDT)

TRANSACTION OVERVIEW

Transaction Overview	• Navarre Minerals Limited ("Navarre"), via its 100% owned subsidiary Navarre Minerals Queensland Pty Ltd ("Navarre Minerals Queensland"), has agreed to acquire the Mt Carlton Gold Mine ("Mt Carlton") and Crush Creek project ("Crush Creek"), located in Queensland, Australia (collectively, the "Mt Carlton Operations") from Conquest Mining Pty Limited ("Conquest Mining"), a 100% owned subsidiary of Evolution Mining Limited ("Evolution") (the "Transaction")
	• Acquisition consideration up to A$90 million ("Consideration"), comprised of:
	  • A$40 million in upfront consideration paid at the time of Completion, of which payment of A$13.2 million will be satisfied by Navarre issuing ordinary shares to Evolution, calculated by reference to the issue price per share under the Placement
	  • Up to A$25 million in additional cash consideration payable upon the realisation of the following aggregate recoverable gold production milestones from Crush Creek:
	  • A$5 million at 50koz of gold production;
	  • A$5 million at 100koz of gold production; and
	  • A$15 million at 175koz of gold production
	  • Up to A$25 million in additional cash consideration linked to the future gold price, with payments commencing 1 July 2023 and running for a maximum of 15 years, calculated as follows:
	  • If the average spot gold price in any quarter exceeds the equivalent of A$2,250/oz, 5% of the average spot gold price multiplied by the aggregate ounces produced from the Mt Carlton Operations and sold in that quarter
	• Completion of the Transaction is expected to occur 5 business days after relevant customary closing conditions (including shareholder approval) have been satisfied

Transaction Funding	• The Transaction and associated costs to be funded from the fully underwritten conditional placement of A$36.8 million to new and existing institutional and sophisticated investors at an issue price of A$0.075 per fully paid ordinary new share

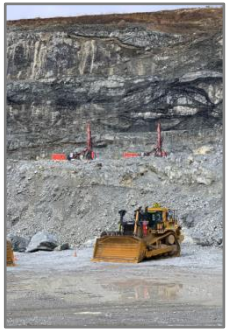
The Mt Carlton Operations comprises an open pit and underground mine, and a 950ktpa processing plant situated on a tenement package of ~815km²

Overview

Location	▪ 150km south of Townsville, Queensland
Tenement Package	▪ ~815km² (3MLs, 1 MDL, 11 EPMs)
Mineralisation Type	▪ High sulphidation epithermal deposit
Mining Method	▪ Open pit and underground (open stoping)
Process Method	▪ Conventional crushing, grinding and flotation to produce a polymetallic concentrate
Process Capacity	▪ 950ktpa
Workforce	▪ 153 Full-time Employees / 120 Contractors (at 30 June 2021)
Access	▪ via ~40km gravel road (off Bruce Highway)
Power	▪ Grid power supplied to site mine through 22kV lines with a combined capacity of 6MW
Water	▪ Burdekin river pipeline (225mm, 36km) 600ML agreement in place
Safety	▪ Total Reportable Injury Frequency: 7.4 (12mth moving avg. at 30 June 2021)
Mineral Resources(1)	▪ 9.53Mt @ 1.26g/t for 387koz Gold ▪ 2.69Mt @ 0.49% for 13kt Copper
Ore Reserves(1)	▪ 6.43Mt @ 0.81g/t for 168koz Gold ▪ 0.62Mt @ 0.74% for 5kt Copper









(1) Extracted from Evolution's ASX Release dated 17 February 2021 entitled "Annual Mineral Resources and Ore Reserves Statement". See pages 35-37 for further details and also refer to Evolution's ASX Releases dated 12 February 2020 entitled "Annual Mineral Resources and Ore Reserves Statement" and dated 19 June 2020 entitled "Mt Carlton Update"

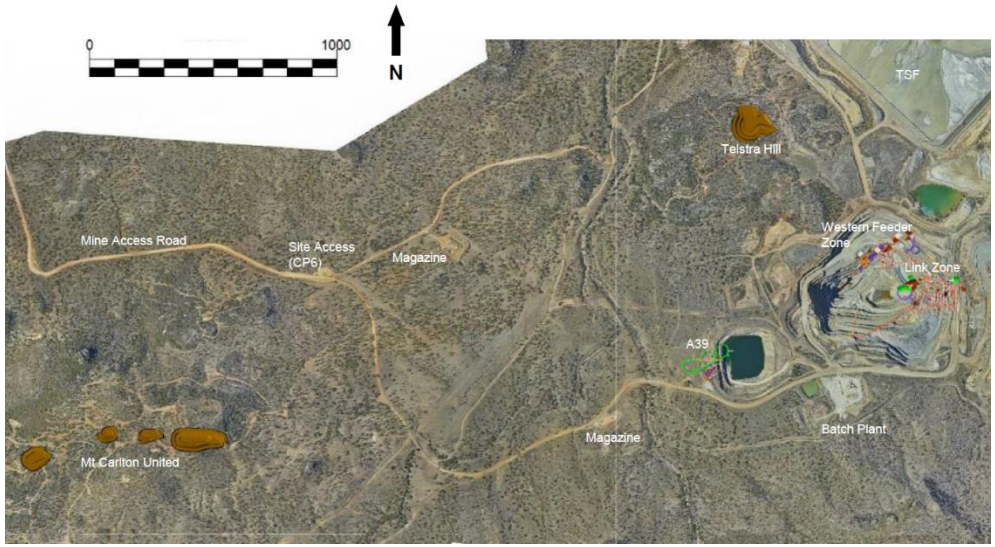
POTENTIAL FOR MINE LIFE EXTENSION AT MT CARLTON

Residual resources at Mt Carlton economic under current prices, with underground extensions possible through investment in underground drilling. Permitting of satellite deposits advanced

Overview

- Economic extensions identified through technical due diligence as a greater flexibility with price assumptions and incremental drilling not captured in last MROR (December 2020)
  - V2 pit: Link Zone/Western Feeder Zone. Mineralisation continues to extend beyond existing planned extraction
  - V2 Underground. Mining ongoing, extents remain untested
  - A39 Underground
  - Mt Carlton United open pit. Ore body remains open at depth and along strike
  - Telstra Hill open pit. Requires verification of prior drilling data but a likely supplemental ore source. Not currently included in MROR

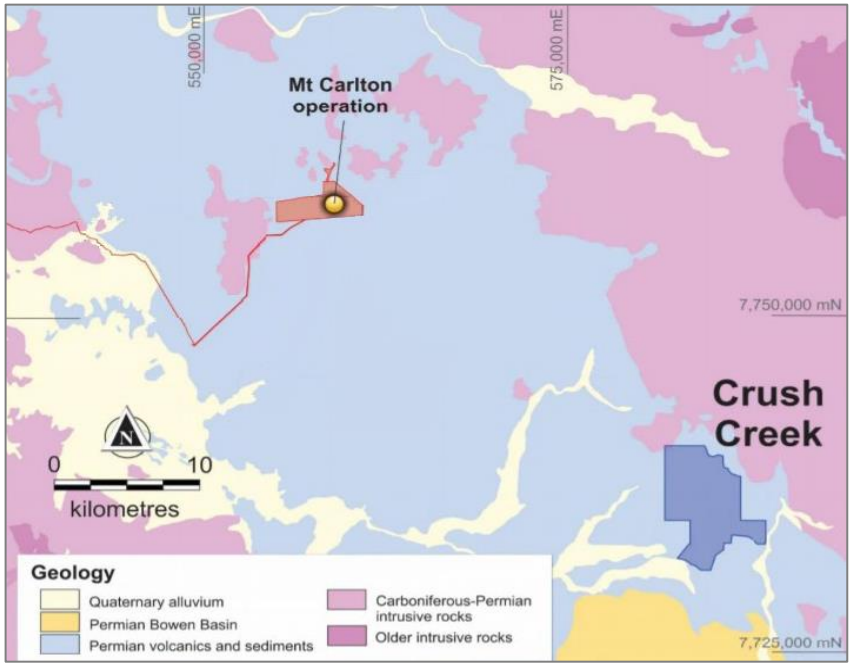
Mt Carlton (V2 and A39) and Satellites



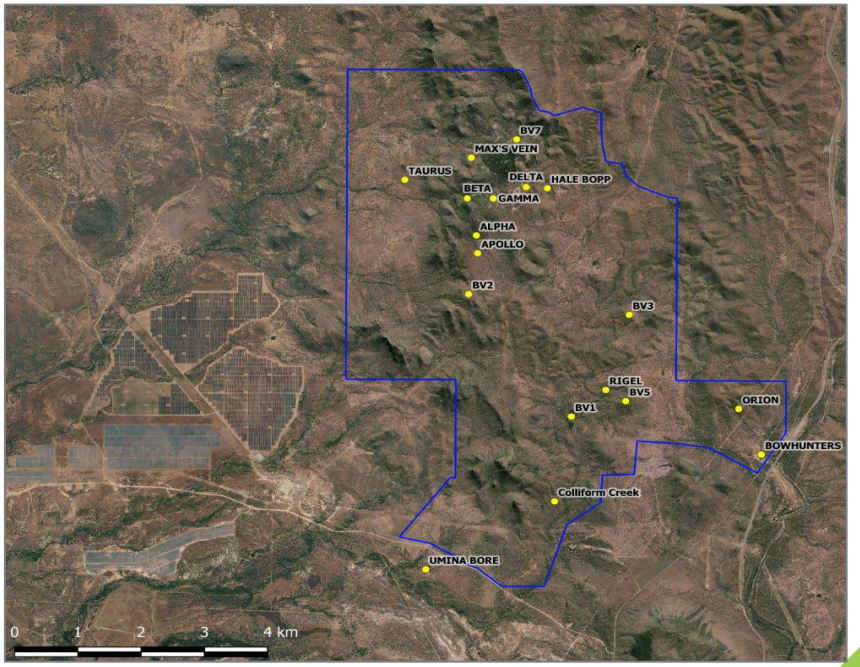
CRUSH CREEK LOCATION AND PROJECT AREA OVERVIEW

Crush Creek is located ~30km southeast of Mt Carlton in Queensland

Location of Crush Creek in Relation to Mt Carlton



Crush Creek Project Area Showing Regional Targets



Transformative transaction set to deliver shareholder value through the creation of a new Australian gold producer

1 Transformational Acquisition	✓ Acquisition of the Mt Carlton Operations immediately transforms Navarre to producer status, with cash flows from FY2022 guided production of 45-50koz gold at an AISC of A$1,650-1,700 per ounce[1] ✓ Positions Navarre with a strong pipeline of organic exploration upside, including Victoria
2 Attractive Transaction Metrics	✓ Highly attractive transaction metrics, including a ~9 month payback period of upfront component of cash consideration based on net mine cash flows from the Mt Carlton Operations[2]
3 Proven Pathway to Value Creation	✓ Acquisition of non-core assets from large-cap gold producers follows a well-trodden path for value creation, with the Pro Forma Navarre trading at attractive EV / Production and EV / Reserves multiples, even prior to the delivery of any targeted reserve and resource growth ✓ Well-credentialled management team to refocus investment towards growth
4 Proven Operation and Site Team	✓ History of strong margins and significant free cash flow generation ✓ Experienced and predominantly local workforce
5 Exploration Upside	✓ Optimisation across the Mt Carlton Operations and clearly identifiable near-term future at Crush Creek ✓ Pursue near-mine and regional exploration upside via aggressive drilling campaign
Evolution Investment Demonstrates Support	✓ Evolution to subscribe for A$13.2 million worth of Navarre ordinary shares as partial satisfaction of the upfront Transaction Consideration ✓ Navarre welcomes this show of support from Evolution

(1) See Evolution's ASX Release dated 19 August 2021 entitled "FY21 Financial Results Presentation". Note, under the Transaction, Mt Carlton Operations economics only accrue to Navarre from 1 October 2021

(2) Illustrative payback period based on the maximum upfront A$30 million cash component of the total upfront consideration of A$40 million, and Mt Carlton Operations net mine cash flow based on the current FY2022 mine plan for the Mt Carlton Operations, assuming spot pricing for gold of A$2,425/oz as at 1 October 2021. Net mine cash flow is defined as operating mine cash flow less sustaining and major capital expenditures (pre-tax). See Evolution's ASX Release dated 19 August 2021 entitled "FY21 Financial Results Presentation". Note under the Transaction, Mt Carlton Operations economics accrue to Navarre from 1 October 2021

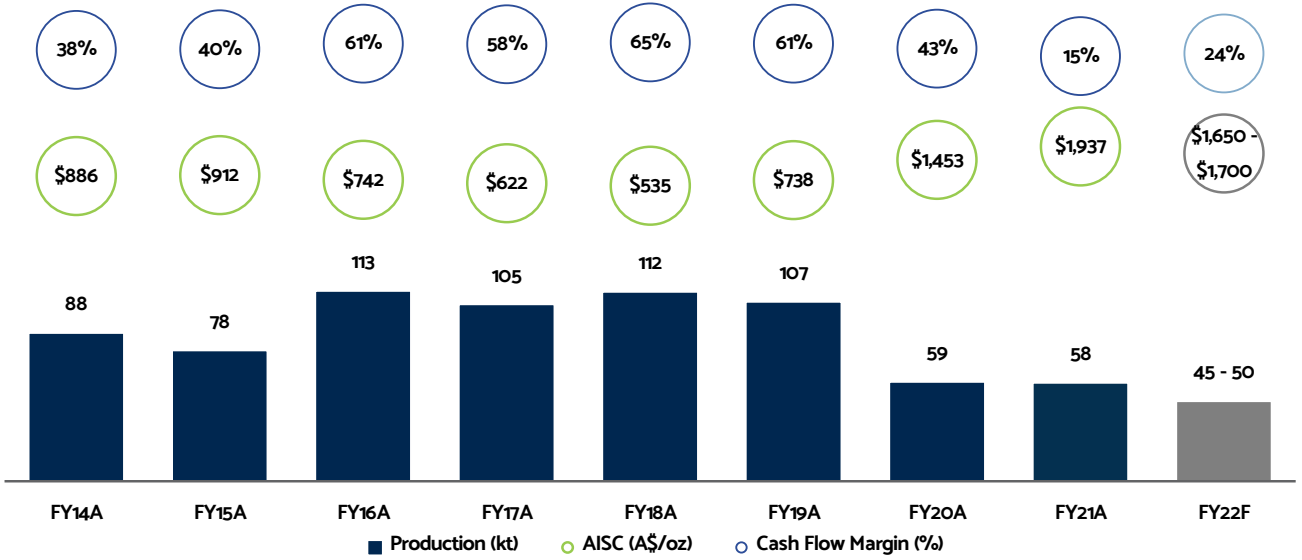
PROVEN OPERATION AND SITE TEAM

The Mt Carlton Operations have a long track record of production and cash flow margin

Overview

- The Mt Carlton Operations have produced a cumulative ~0.7Moz of gold since FY2014
- Prior to FY2020, the Mt Carlton Operations have operated at an average AISC of ~A$725/oz of gold, with an average cash flow margin of ~50%
- Q1FY2022 gold production of 15.7koz at an AISC of A$1,773/oz generating net mine cash flow of A$10.3 million
- Navarre to apply its exploration expertise to seek further upside at the Mt Carlton Operations

Mt Carlton Operations Gold Production (koz), AISC (A$/oz) and Cash Flow Margin (%)[1,2,3]



(1) FY2022 production and AISC based on guidance per Evolution ASX Release dated 19 August 2021 entitled "FY21 Financial Results Presentation"
(2) Cash flow margin based on mine operating cash flow divided by revenue
(3) FY2022 Mt Carlton Operations metrics presented on a full year basis. Note, under the Transaction, Mt Carlton Operations economics only accrue to Navarre from 1 October 2021

NAVARRE'S PLAN

Clear operational roadmap leveraging the expertise of the existing Mt Carlton Operations site team to deliver on Crush Creek expansion and also more broadly across the Navarre project pipeline

Near Term

- Seamless transition to Navarre ownership
- FY2022 guidance: 45-50koz of gold production at an AISC of A$1,650-1,700/oz[1] (attributable to Navarre from 1 October 2021)
- Ramp up drilling activity – additional rigs across Mt Carlton and Crush Creek
- Navarre to deliver updated resource and reserve post deal closure:
  - Maiden reserve for Crush Creek
  - Extend Mt Carlton inventory

Medium Term

- Mt Carlton:
  - Extend known underground – maiden underground drilling campaign
  - Optimise remaining open pit material at V2
- Extend satellite pits Mt Carlton United and Telstra Hill
- Crush Creek:
  - Complete permitting and commence mining
  - Continue to grow resources and reserves
- Follow up on regional targets and anomalies (Gamma, Rigel, Taurus)

Longer Term

- Leverage site team's operational history and knowledge in the region to identify and explore broader Mt Carlton and Crush Creek tenement package
- Further utilise Navarre's expertise in exploration to further regional opportunities and establish the Mt Carlton Operations as cornerstone portfolio asset
- Tailings retreatment, addition of CIL circuit
- Third party ore
- Regional consolidation

(1) See Evolution's ASX Release dated 19 August 2021 entitled "FY21 Financial Results Presentation"

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