

ASX Announcement

5 September 2012

Navarre Minerals Limited

ABN 66 125 140 105

ASX Code: NML

Corporate Details

Issued capital:

55.8M ordinary shares

2.37M 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

Navarre Minerals Limited

40 – 44 Wimmera Street

Stawell VIC 3380

Australia

PO Box 385

Stawell VIC 3380

Australia

Tel: +61 (0)3 5358 8625

Email: info@navarre.com.au

Website: www.navarre.com.au

Navarre moves to full ownership of Tandarra gold prospect

Highlights

- Navarre and Crocodile Gold Corp. sign a heads of agreement to convert Crocodile's earn-in right at Tandarra to a 2% net smelter royalty on future gold production
- Conversion ensures that Navarre enjoys full ownership of the prospective Tandarra prospect
- Drill season scheduled to start at Tandarra in October

Victoria gold exploration company Navarre Minerals Limited (ASX Code: NML) has moved to strengthen its ownership position of its flagship Tandarra prospect (EL 4897), part of the Bendigo North Gold Project located 40 km north of Bendigo (Figure 1). Navarre has signed a heads of agreement with Crocodile Gold Corp. ("Crocodile"), its largest shareholder, to convert Crocodile's right to earn a majority interest in Tandarra to a 2% net smelter royalty interest ("NSR") over future gold production at Tandarra.

Further to the agreement, Navarre has the right to buy back 1% of the NSR for \$2.0 million within four years, which would reduce the NSR to 1%.

"This deal unshackles the long-term ownership of Tandarra and gives greater certainty for Navarre shareholders, while at the same time sharing the upside from potential gold production with Crocodile," commented Navarre Managing Director, Mr Geoff McDermott. "Extinguishing Crocodile's residual equity interest in Tandarra means that Navarre gains greater control over its number one project. This is a very significant milestone and gives Navarre greater flexibility in funding the exploration, evaluation and development of this emerging gold project."

Crocodile's earn-in right was part of the original deal to acquire Tandarra during the formation of Navarre, which acquired a number of exploration assets from a company that is now an Australian subsidiary of Crocodile. Under the original agreement with Navarre, Crocodile was entitled to earn up to 60% of Tandarra once the project was proven to host a JORC compliant resource of 0.5 million ounces of gold, of which 50% was in the indicated or measured category.

“This deal clears up the long-term ownership issue at Tandarra, which has confused some shareholders and potential investors,” Mr McDermott said.

“Under the terms of this agreement, Navarre will own 100% of one of the most advanced greenfields gold exploration projects in Victoria. And if we can prove up and develop a gold mine at Tandarra, Crocodile will share in any future production. A win-win for both companies.”

Formal documentation of the agreement is expected to be finalised within the coming months.

– ENDS –

About Navarre Minerals Limited

Navarre Minerals Limited is an ASX-listed, Australian-based mineral exploration company searching for gold and base metal deposits in Victoria.

Our goal is to define a maiden mineral resource and to become a low-cost Victorian gold producer through exploration success.

Our assets include a recent gold discovery under shallow cover 40km from the 22Moz Bendigo Goldfield.

For further information contact:

Mr Geoff McDermott
Managing Director
E: info@navarre.com.au
T: + 61 (0)3 5358 8625

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.

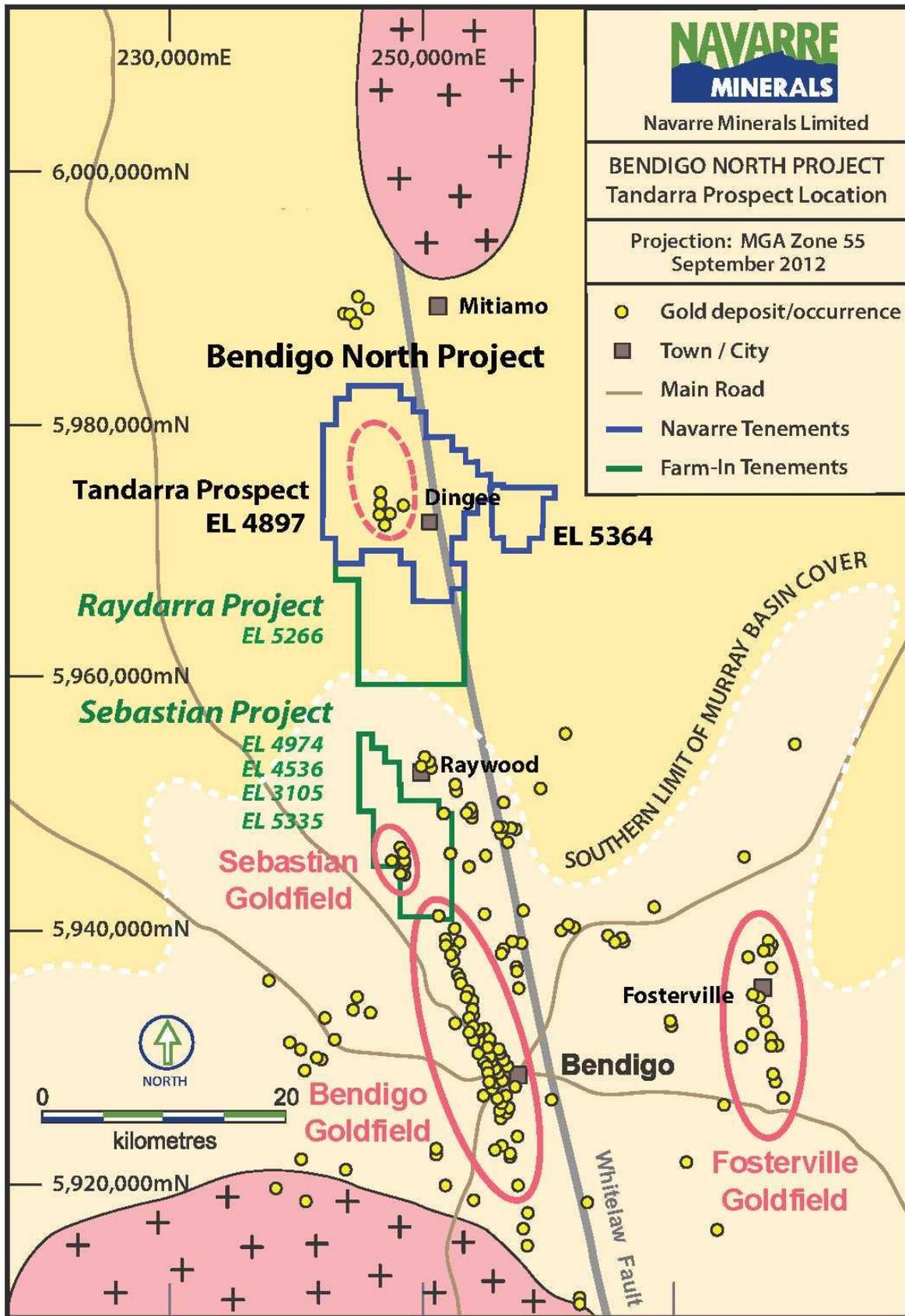


Figure 1: Bendigo North Gold Project location map