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NAVARRA TO TAKE FULL OWNERSHIP OF TANDARRA

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THE BOURSE WHISPERER: Victoria-based gold exploration company Navarre Minerals (ASX:NML) has taken steps to strengthen its ownership position of the company's Tandarra prospect.

The Tandarra project is part of the Bendigo North gold project located near Bendigo.



Bendigo North gold project location map. Source: Company announcement

Navarre has signed a heads of agreement with Canadian company Crocodile Gold Corp. (TSX:CRK), its largest shareholder.

The HOA will convert Crocodile's right to earn a majority interest in Tandarra to a 2 per cent net smelter royalty (NSR) interest over future gold production at Tandarra.

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

"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," Navarre Minerals managing director Geoff McDermott said in the company's announcement to the Australian Securities Exchange.

"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, at which time it 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 per cent of Tandarra once the project was proven to host a JORC-compliant resource of 0.5 million ounces of gold, of which 50 per cent 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," McDermott explained.

"Under the terms of this agreement, Navarre will own 100 per cent 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."

Navarre said formal documentation of the agreement is expected to be finalised within the coming months.

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