

ASX Announcement

10 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

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Share Purchase Plan Offer & Bonus Option Issue

Highlights

- **Navarre seeks to raise up to \$2.5 million** to fund the next stage of the Company's exploration of its Victorian gold and base metals projects at Bendigo North, Kingston and Black Range
- **Capital raising will be by way of a Share Purchase Plan ("SPP")** which will allow shareholders to subscribe for new shares at an **issue price of \$0.15** each
- The issue price of the shares under the SPP represents a **discount of 13.2%** to the volume weighted average price of Navarre's shares over the 5 trading days immediately prior to this announcement, or a **discount of 14.3%** to the last ASX traded price of Navarre shares (17.5 cents) on 7 September 2012 (the last trading day before this announcement)
- **Navarre announces the proposed issue of bonus options** on the basis of one bonus option for every two new Navarre shares subscribed for under the SPP. No payment will be required to receive the bonus options.
- The record date for entitlement to the bonus options will be a date following completion and allotment of the SPP offering. **Only shareholders who participate in the SPP will be entitled to the bonus option offer.**

Navarre Minerals Limited (ASX Code: NML) is pleased to announce a Share Purchase Plan ("SPP") offer to shareholders of Navarre to fund further exploration of the Company's gold and base metals projects at Bendigo North, Kingston and Black Range, and to meet ongoing working capital requirements.

This follows the recent announcement of the Company's move to secure 100% of its flagship Tandarra prospect, part of the Bendigo North group of gold projects, through a royalty deal with Crocodile Gold Corp. The deal involves an exchange of Crocodile's right to earn a majority interest in Tandarra for a 2% royalty over future gold production.

Navarre's Managing Director, Mr Geoff McDermott, said, "This deal ensures that Navarre maintains full control of the future of an extremely exciting and important project in the State of Victoria, which has a long history of gold discovery and production."

During the 2011-2012 field season, the Company completed a successful exploration campaign on the Tandarra prospect, resulting in the discovery of significant near-surface gold mineralisation concealed from historic mining below a thin veneer of Murray Basin cover. Tandarra lies approximately 40km north and along strike from the historic Bendigo Goldfield, which has produced approximately 22 million ounces of gold since discovery in the 1850s.

Navarre has completed two drilling campaigns at Tandarra, deploying diamond, reverse circulation and scout air-core drilling. The best gold drill intersections reported from Tandarra during the year include:

- **24.0m @ 2.5g Au/t** from 35.0m in RCT006, including **12.0m @ 4.9g Au/t**
- **4.0m @ 9.4g Au/t** from 22.0m in RCT050, including **1.0m @ 33.6g Au/t**
- **4.0m @ 9.2g Au/t** from 18.0m in RCT063, including **1.0m @ 30.9g Au/t**
- **8.0m @ 3.4g Au/t** from 163.0m in RCT010, including **1.0m @ 24.0g Au/t**
- **14.0m @ 1.5g Au/t** from 22.0m in RCT051
- **11.0m @ 2.0g Au/t** from 35.0m in RCT062, including **4.0m @ 4.5g Au/t**
- **23.0m @ 1.0g Au/t** from 58.0m in RCT096
- **29.1m @ 1.6g Au/t** from 20.1m in DDT001, including **0.7m @ 28.6g Au/t**

** All results are reported as down-hole lengths. See ASX release dated 26 July 2012 for complete table of results.*

Resource evaluation drilling completed mainly over an 850m length of the Tomorrow line of reef, one of the shallowest and highest gold endowed lines of quartz reef identified to date, has outlined high-grade gold mineralisation contained within an expansive envelope of gold-bearing quartz stockwork veining. This mineralisation remains open to the north and south, underlining the potential for Tandarra to deliver the Company a maiden mineral resource. This reef and the adjacent Macnaughtan and Reynolds lines of reef will require further drill testing, with the program planned to commence in October 2012.

Mr McDermott said, "In a little over a year since our discovery hole at Tandarra, Navarre has demonstrated the potential for an exciting gold discovery at shallow depth. We have used the latest geophysical technology to look through the thin cover sitting over the prospect and then followed up with successful drilling campaigns over these buried lines of quartz reef which contain the gold mineralisation."

The majority of the funds raised under the SPP will be used for a drilling program at Tandarra to delineate the full extent of near-surface gold mineralisation over a 4km strike contained within the advanced Tomorrow, Macnaughtan and Reynolds lines of reef. These reefs are each up to 40m wide and remain open to the north and to the south. Additionally, scout air-core drilling will be used to test and confirm several regional quartz reef and alluvial targets identified at Tandarra, Raydarra and Sebastian.

Navarre is also moving ahead with further exploration on its wholly owned Kingston and Black Range properties in Victoria, with work anticipated to commence later in 2012. These projects have generated some exciting exploration results, as reported previously, which warrant further investigation.

Commenting on the SPP offer, Mr McDermott said, "We encourage our shareholders to consider the SPP offer carefully and welcome their ongoing support for our projects."

The right to participate in the SPP is available exclusively to shareholders who were registered as holders of fully paid ordinary shares of the Company at 5.00pm Melbourne time on the Record Date of Friday 7 September 2012 and whose registered address is in Australia or New Zealand.

Details of the SPP offer and information about the proposed issue of bonus options are set out in a letter to shareholders enclosing the Terms and Conditions of the SPP. These documents will be lodged with ASX today and also mailed to eligible shareholders, together with their personalised application forms.

– ENDS –

For further information contact:

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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.

Competent Person Declaration

The information in this release that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Geoff McDermott, who is a Member of The Australian Institute of Geoscientists and who is Managing Director of Navarre Minerals Limited. Mr McDermott 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 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr McDermott consents to the inclusion in this 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.