

10 September 2012

Dear Shareholder

### Share Purchase Plan Offer to Shareholders

The board of Directors of Navarre Minerals Limited (**Navarre** or the **Company**) is pleased to invite you to participate in the Company's 2012 Share Purchase Plan (**SPP**). The SPP allows eligible shareholders to subscribe for up to \$15,000 worth of additional shares in Navarre at a **subscription price of 15 cents per share**, without participants being required to pay brokerage or other costs that would normally apply to an on-market purchase of shares.

This is an exciting time in Navarre's history. Last week, we were delighted to announce that your company had secured 100% ownership of the flagship Tandarra prospect, part of the Bendigo North group of gold projects, through a royalty deal with Crocodile Gold Corp., our major shareholder. Navarre has signed a heads of agreement with Crocodile under which Crocodile's right to earn a majority interest in Tandarra is exchanged for a 2% royalty over future gold production. Navarre now has full control of Tandarra's future.

Navarre recently completed a successful exploration campaign at Tandarra, resulting in the discovery of significant near-surface gold mineralisation concealed from historic mining by a thin layer of Murray Basin cover. This mineralisation, characterised by high-grade gold within an expansive envelope of gold-bearing quartz veining, remains open to the north and south and underlines the potential for Tandarra to deliver the Company's maiden mineral resource. A drill program to delineate the extent of the gold exploration potential of the Tandarra prospect is planned to commence in October 2012.

Navarre's wholly-owned Kingston and Black Range gold and base metal projects in Victoria have also generated some exciting exploration results, as reported previously, which warrant further investigation. Exploration activity on these projects is proposed for late 2012.

### Purpose of the Fundraising

The proceeds of the SPP will be applied to advancing the exploration effort on the Company's Bendigo North, Kingston and Black Range projects, and to meet ongoing working capital requirements. The majority of the proceeds will be used to fund a drill program at Tandarra to delineate the gold exploration potential within a 4 kilometre long corridor of near-surface mineralisation in the Tomorrow, Macnaughtan and Reynolds lines of reef. Additionally, scout air-core drilling will be undertaken to test and confirm additional regional quartz reef and alluvial gold targets identified at Tandarra, Raydarra and Sebastian.

### Proposed Bonus Issue of Options

The Company is also pleased to announce that it intends to undertake a **bonus** issue of options to shareholders who participate in the SPP (**Bonus Issue**) on the basis of **one (1) free option for every two (2) new shares subscribed for under the SPP**, with each option being exercisable for one fully paid ordinary share at 20 cents each and expiring 31 December 2013 (**Bonus Option**).

The Company does not intend to apply for the Bonus Options to be listed on the ASX.

The Company will release a separate disclosure document for the Bonus Issue containing full details of the Bonus Issue, including full terms and conditions of the Bonus Options. It is anticipated that this will occur within the next 3 months.

Only shareholders who participate in the SPP will be entitled to receive Bonus Options. All new shares issued under the SPP will be issued and allocated prior to the record date for the Bonus Issue.

The Company will keep shareholders informed as to the Bonus Issue, including the record date for determining entitlements to the Bonus Options.

### Key Points of the SPP

The SPP is expected to open on Tuesday 11 September 2012 and close on Friday 5 October 2012. Details of the SPP are set out in the accompanying Terms and Conditions. You should read the Terms and Conditions in their entirety before deciding whether to participate.

Key points of the SPP are as follows:

- Under the SPP, you may acquire up to \$15,000 worth of new shares in the Company in parcels of up to the value of \$1,000, \$2,000, \$5,000, \$10,000 or \$15,000 as set out in the attached Application Form.
- The **subscription price of the new shares is 15 cents each**, which represents a discount of 13.2% to the volume weighted average price of Navarre shares over the 5 trading days immediately prior to the announcement of the SPP on 10 September 2012, 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 the SPP announcement).
- Shares allocated under the SPP will rank equally in all respects with existing fully paid ordinary shares of the Company quoted on the ASX.

In accordance with the ASX Listing Rules, the maximum number of shares which may be issued under the SPP is 16,748,880 shares, being 30% of Navarre's current issued share capital.

Shareholder approval will not be sought for the SPP.

### Participating in the SPP

Only shareholders of the Company with a registered address in Australia or New Zealand at 5:00pm Melbourne time on Friday 7 September 2012 (**Eligible Shareholders**) are entitled to participate in the SPP. The offer is non-renounceable, which means that the rights of Eligible Shareholders to participate in the SPP are not transferable. Participation in the SPP is optional.

To participate in the SPP, you must fill out your personalised Application Form and return it with your cheque to the Company's share registry, Boardroom Pty Limited, by no later than 5:00pm Melbourne time on Friday 5 October 2012. Alternatively, you can subscribe and pay electronically in accordance with the instructions set out in the personalised Application Form.

Any queries concerning the SPP offer should be directed to the Company's share registry on:

Telephone: 1300 737 760  
Facsimile: (02) 9290 9655  
Email: enquiries@boardroomlimited.com.au

The Directors recommend this offer under the SPP to you and welcome your ongoing support.

Yours sincerely



**Kevin Wilson**  
Chairman

#### **Competent Person Declaration:**

*The information in this document 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 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 the document of the matters based on his information in the form and context in which it appears.*



## NAVARRE MINERALS LIMITED

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ABN 66 125 140 105

### SHARE PURCHASE PLAN

This is an important document and should be read in its entirety. If you have any doubts as to what you should do, you should seek advice from your stockbroker, accountant, solicitor or other professional advisor.

## Share Purchase Plan Offer - Terms and Conditions

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### Key Offer Dates

Date	Event	Description
Friday 7 September 2012 (5:00pm Melbourne time)	Record Date	The date on which the Company determines Eligible Shareholders
Monday 10 September 2012	Announcement Date	SPP announced
Tuesday 11 September 2012	Offer Opens	The date from which applications for New Shares can be submitted
Friday 5 October 2012 (5:00pm Melbourne Time)	Closing Date	SPP closes
Friday 12 October 2012	Issue Date	Shares issued under the SPP
Monday 15 October 2012	Quotation Commences	Shares issued under the SPP expected to commence quotation on ASX

The above timetable is indicative only. The Company reserves the right to vary any of the key dates above, including the Closing Date and the Issue Date, without further notice.

### SPP Terms and Conditions

The Company's SPP allows Eligible Shareholders to acquire up to AUD\$15,000 worth of New Shares at a subscription price of AUD\$0.15 per Share. This offer is made in accordance with ASIC Class Order 09/425 which grants relief from the requirement to prepare a prospectus for the offer of shares under an SPP.

#### 1. Eligibility

To be eligible to participate in the SPP, you must be an Eligible Shareholder as at the Record Date. Each offer to Eligible Shareholders is made on the same terms and conditions.

#### 2. Application for Shares

Participation in the SPP is optional. The amount an Eligible Shareholder may invest under the SPP is limited. The Application Form specifies parcels of a particular value of Shares for which applications can be made. An Eligible Shareholder may apply for a parcel of Shares in any one only of the following amounts:

Offer A:	AUD\$1,000 (6,667 Shares)
Offer B:	AUD\$2,000 (13,334 Shares)
Offer C:	AUD\$5,000 (33,334 Shares)
Offer D:	AUD\$10,000 (66,667 Shares)
Offer E:	AUD\$15,000 (100,000 Shares)

ASIC Class Order 09/425 requires that each Eligible Shareholder may only purchase up to AUD\$15,000 worth of Shares under the SPP. The AUD\$15,000 limit applies irrespective of how many Shares an Eligible Shareholder holds on the Record Date.

### *Joint/Multiple Holdings*

If an Eligible Shareholder (other than a Custodian) receives more than one copy of this offer, or if an Eligible Shareholder holds Shares in more than one capacity (that is, because they are both a sole and joint holder of Shares), the maximum amount the Eligible Shareholder may apply to invest under the SPP in all capacities is AUD\$15,000. Joint holders of Shares are taken to be a single registered holder of Shares for the purposes of determining whether they are an Eligible Shareholder and the certification required to be given as part of the Application Form will be taken to have been given by all of them.

### *Trustee/Nominee Holdings*

If an Eligible Shareholder acts as a trustee or a nominee and is expressly noted on the share register as holding Shares on account of a named beneficiary (that is, is a Custodian), the named beneficiary will be taken to be the registered holder of those Shares and the Custodian may apply, on behalf of each beneficiary, for up to AUD\$15,000 worth of New Shares per beneficiary, subject to providing the Company with a custodian certificate that complies with the requirements of ASIC Class Order 09/425 (**Custodian Certificate**). By providing a Custodian Certificate, an Eligible Shareholder represents and warrants to the Company that it is a 'custodian' within the definition of that term in ASIC Class Order 09/425. Custodian Certificates can be obtained from the Company's share registry, Boardroom Pty Limited, by telephone on 1300 737 760, by facsimile on (02) 9290 9655 or by email to enquiries@boardroom.com.au.

If a person holds Shares as a trustee or nominee for another person, but is not a Custodian, it cannot participate for beneficiaries in the manner described above. In this case, the rules for multiple single holdings apply (see "Joint/Multiple Holdings" above).

### **3. Non-renounceable Offer**

The offer under the SPP is non-renounceable. Eligible Shareholders cannot transfer their right to acquire Shares under the SPP to another person.

### **4. Rights Attaching to Shares**

All New Shares issued under the SPP will rank equally with the Company's existing Shares and will carry the same voting rights and other entitlements of existing Shares as at the Issue Date.

### **5. Price of New Shares**

The issue price of the New Shares is AUD\$0.15 each, which is at least 80% of the volume weighted average price of existing Shares quoted on the ASX during the last 5 days in which sales in the Company's Shares were recorded immediately prior to the Announcement Date.

The market price of the Shares may change after the New Shares are offered under the SPP. However this will not affect the price at which participating Eligible Shareholders will receive the New Shares under the SPP. This means that the Issue Price for the New Shares under the SPP may be higher or lower than the market price of existing Shares at the date of allotment.

### **6. Number of Shares Issued**

The maximum number of New Shares to be issued is 16,748,880. The Company reserves the right to scale back Applications on any basis it determines. When fewer New Shares are allotted than were applied for by an Eligible Shareholder, surplus application monies will be returned, without interest, after the Closing Date.

The number of New Shares issued to an Eligible Shareholder (including as a result of a scaling back) will be rounded up to the nearest whole number of Shares.

## **7. How to Apply - Application Form**

Eligible Shareholders wishing to participate in the SPP must follow the instructions set out on the enclosed personalised Application Form. A completed Application Form together with your cheque must be sent in the reply paid envelope so that it is received by the Company's share registry by no later than the Closing Date unless the Closing Date is otherwise extended by the Company. Alternatively, you can subscribe and pay electronically in accordance with the instructions set out in the personalised Application Form.

## **8. Issue Date**

The New Shares will be issued under the SPP no later than Friday 12 October 2012 and quotation on the ASX will commence the trading day following the Issue Date and no later than Monday 15 October 2012. You should receive your holding statement or transaction confirmation statement shortly after that date.

## **9. Cost of Participation**

No brokerage, commission, stamp duty or other transaction costs will be payable by you in respect of an issue of New Shares under the SPP.

## **10. Variation and Termination**

The Company reserves the right to modify, terminate or waive compliance with any provision of these Terms and Conditions at any time. The Company will notify the ASX of any modification, waiver or termination of the SPP.

Without limiting the above, the Company may issue to any Eligible Shareholder fewer New Shares than the Eligible Shareholder applied for under the SPP if, in the opinion of the Company, the proposed issue would contravene any applicable law or the Listing Rules of the ASX.

## **11. Company's Discretion Regarding Shortfall Shares**

The Board reserves the right to place any Shortfall Shares in their absolute discretion and at a price no less than the price of the New Shares offered under the SPP, to the extent that any such placement of Shortfall Shares can be made having regard to Listing Rule 7.1 and the Corporations Act.

## **12. Disputes**

The Company may settle in any manner it thinks fit any difficulties, anomalies or disputes which may arise in connection with or by reason of the operation of the SPP, whether generally or in relation to any participant or Application, and the decision of the Company will be conclusive and binding on all Shareholders and other persons to whom that determination relates.

The Company reserves the right to waive strict compliance with any provision of the Terms and Conditions.

## **13. Foreign Shareholders**

Distribution of the SPP offer documentation (including these Terms and Conditions and Application Form) in jurisdictions outside of Australia may be restricted by law.

This documentation does not constitute an offer of, or invitation to subscribe for securities in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation.

Shareholders resident outside Australia should consult their professional advisers as to whether, in order to enable them to participate in the SPP, any governmental or other consents are required or other formalities need to be observed.

Where this documentation has been sent to Shareholders with registered addresses outside Australia who are not entitled to participate, it is sent to them for information purposes only.

#### 14. Effect of Receipt

Receipt by the Company's share registry of a completed Application Form will:

- represent an acknowledgement that the Shareholder named on the Application Form (**Named Shareholder**) is an Eligible Shareholder;
- constitute an irrevocable and unconditional acceptance of the offer in accordance with the Terms and Conditions and the constitution of the Company by the Named Shareholder;
- represent a certification by the Named Shareholder that the aggregate of the application price for the Shares the subject of the Application and the application price for any other Shares in the Company applied for under the SPP or any other similar arrangement in the last 12 months does not exceed AUD\$15,000;
- represent an acknowledgment that the Named Shareholder is lawfully permitted to accept the offer to acquire the Shares under the SPP and participate in the SPP in accordance with the laws applicable in Australia and any other applicable laws in the jurisdiction in which the Named Shareholder and / or the beneficial owner of the Shares is situated;
- represent an acknowledgement that the Named Shareholder accepts the risk that the market price of the Shares may fall between the date on which the Application is submitted and the date the New Shares are issued;
- authorise the Company (and its officers and agents) to correct any error in, or omission from, the Named Shareholder's Application Form and to complete the Application Form by the insertion of any missing details;
- constitute an acceptance by the Named Shareholder to indemnify the Company for, and to pay to the Company within 5 business days of the demand, any dishonour fees or other costs the Company may incur in presenting a cheque for payment which is dishonoured;
- represent an acknowledgement by the Named Shareholder that the Company is not liable for any exercise of its discretions referred to in these Terms and Conditions; and
- represent an acknowledgement by the Named Shareholder that under the Terms and Conditions, and to the maximum extent possible at law, the Named Shareholder releases the Company and its Directors and officers from any liability for any loss the Named Shareholder may suffer as a result of making any investment in the Company under the SPP.

#### 15. Reliance on Terms and Conditions

These Terms and Conditions have been prepared in accordance with ASIC Class Order 09/425, which relates to share purchase plans that do not require a prospectus or disclosure document. Accordingly, the level of disclosure in these Terms and Conditions is considerably less than the level of disclosure required in a prospectus or other disclosure document.

Nothing in these Terms and Conditions constitutes financial or investment advice. In deciding whether or not to participate in the SPP, you should rely on your own knowledge of the Company, refer to disclosures made by the Company to ASX (which are available for inspection on the ASX's website at [www.asx.com.au](http://www.asx.com.au) and on the Company's website at [www.navarre.com.au](http://www.navarre.com.au)) and seek the advice of your professional adviser.

#### 16. Governing Law

The Terms and Conditions are governed by the laws in force in the State of Victoria, Australia, and are to be interpreted in accordance with their spirit, intention and purpose.

## GLOSSARY

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In these Terms and Conditions, the following words have the following meanings unless the context requires otherwise:

<b>Announcement Date</b>	Monday 10 September 2012
<b>Application</b>	an application for New Shares under the SPP made in accordance with the instructions on the enclosed Application Form
<b>Application Form</b>	the personalised form accompanying these Terms and Conditions
<b>Application Money</b>	the application money required for a subscription of New Shares under the SPP, as applicable to the parcel option selected
<b>ASIC</b>	the Australian Securities and Investments Commission
<b>ASX</b>	ASX Limited (ACN 008 624 691) or the securities exchange operated by ASX Limited (as the context requires)
<b>Board</b>	the board of Directors
<b>Closing Date</b>	the last date for accepting the offer under the SPP, being 5:00pm Melbourne time on Friday 5 October 2012, or such other date and/or time determined by the Board
<b>Company</b>	Navarre Minerals Limited (ACN 125 140 105)
<b>Corporations Act</b>	<i>Corporations Act 2001</i> (Cth)
<b>Custodian</b>	has the meaning given in ASIC Class Order 09/425
<b>Directors</b>	the directors of the Company
<b>Eligible Shareholders</b>	Shareholders with a registered address in either Australia or New Zealand at 5:00 pm Melbourne time on the Record Date
<b>Issue Date</b>	Friday 12 October 2012 or such other date determined by the Board
<b>Listing Rules</b>	the official listing rules of ASX
<b>New Share</b>	a Share to be issued pursuant to these Terms and Conditions
<b>Record Date</b>	5:00 pm Melbourne time on Friday 7 September 2012
<b>Share</b>	a fully paid ordinary share in the capital of the Company
<b>Shareholder</b>	a registered holder of Shares
<b>SPP</b>	the share purchase plan as set out in these Terms and Conditions and the Application Form
<b>Shortfall Shares</b>	those Shares available for purchase under the Share Purchase Plan not accepted by Shareholders
<b>Terms and Conditions</b>	the terms and conditions under which the offer in respect of the Share Purchase Plan is being made