

Minister's foreword



One of the great advantages of being Minister for Energy and Resources is the opportunity I have to travel around our State and see the great work that is being done in this sector and the contribution it makes to communities and economies in regional Victoria.

In regional Victoria it is great to see mining and exploration businesses willing to invest in training staff to give them highly sought after technical skills. Mining has a proud history in regional Victoria and is the driver for the development of many of our biggest regional cities and towns. I have seen how new and exciting chapters are being written.

Recently I had the chance to visit two impressive projects, one in production and one an advanced exploration project. I officially opened the Iluka Wornack, Rownack and Pirro (WRP) mineral sands mine near Ouyen, an operation that employs 180 people, mostly locals. The WRP project illustrates not only the benefits mining can bring to local communities, but also the benefits Victoria offers mining companies that other States cannot match – world class established infrastructure and a

local workforce. The \$96 million WRP operation is the latest investment by Iluka, which has spent more than \$1 billion on projects that have put Victoria on the map as a mineral sands producer. There remains vast untapped mineral sands deposits in Victoria and I look forward to continued investment in this exciting commodity.

Gold has a special place in Victoria's history and the Government recognised this in August when we announced gold would be the State's new Mineral Emblem. So, I was especially pleased to recently visit the Tandarra site of Navarre Resources, where the hunt for the next generation of Victorian gold is well under way. Navarre is beginning a drilling campaign at Tandarra which will see it carry out 13,000 metres of air-core and diamond drilling as it works to prove up the near surface

extent of gold mineralisation in the area. The Victorian Government has played an important role in the advancement of this project, with Navarre using geological data captured by the Department of Primary Industries to identify prospective areas.

These are the type of projects this Government wants to encourage as they deliver benefits to Victorians through investment, employment and royalties.

There is further detail on this project in this edition of *Discovery* along with details of other Government initiatives and news about developments in the Victorian sector.

I hope you enjoy this edition of *Discovery* and share my vision for a vibrant industry that is taking important steps towards a prosperous future.

Michael O'Brien

The Hon. Michael O'Brien, MP
Minister for Energy and Resources



Gold exploration success in Bendigo



Geoff McDermott of Navarre Minerals explains the positive prospects of Tandarra to Minister Michael O'Brien

Navarre Minerals Limited has reported gold exploration success in Tandarra, North Bendigo.

Navarre Minerals Limited is having significant success in its exploration for gold in its Tandarra prospect, part of the Bendigo North group of gold projects.

Navarre's origin dates back to 2007 when a handful of former Leviathan Resources Limited (owner of the Stawell Gold Mine) executives were contemplating their futures following a take-over by another company. Navarre began with the objective of pursuing the exploration strategy began with Leviathan, which had been cut short in its prime as a result of the takeover. In 2008 a deal was struck with Northgate Minerals, the new owner of Stawell Gold Mines, to venture into the ground it had acquired but had yet to focus upon. At the time, Northgate's focus was the mining of gold at Stawell and Fosterville, near Bendigo.

In 2011 Navarre became an ASX-listed Australian gold and base metals exploration company with projects located in central and western Victoria. Navarre believes these

projects have the potential for large gold and copper-gold-zinc deposits concealed below a veneer of younger un-mineralised cover.

The Tandarra prospect is the company's flagship property and is its major focus of activity. The prospect is a recent greenfields gold discovery under shallow cover, 40 kilometres north of the 22 million ounce Bendigo Goldfield. In this region, Geological Survey of Victoria has estimated that the undiscovered gold endowment under cover in the North Bendigo Zone (an area of about 7,600km²) is about 32 million ounces.

Navarre believes that Tandarra is part of a potential new goldfield emerging in central Victoria with opportunities for open pit mining.

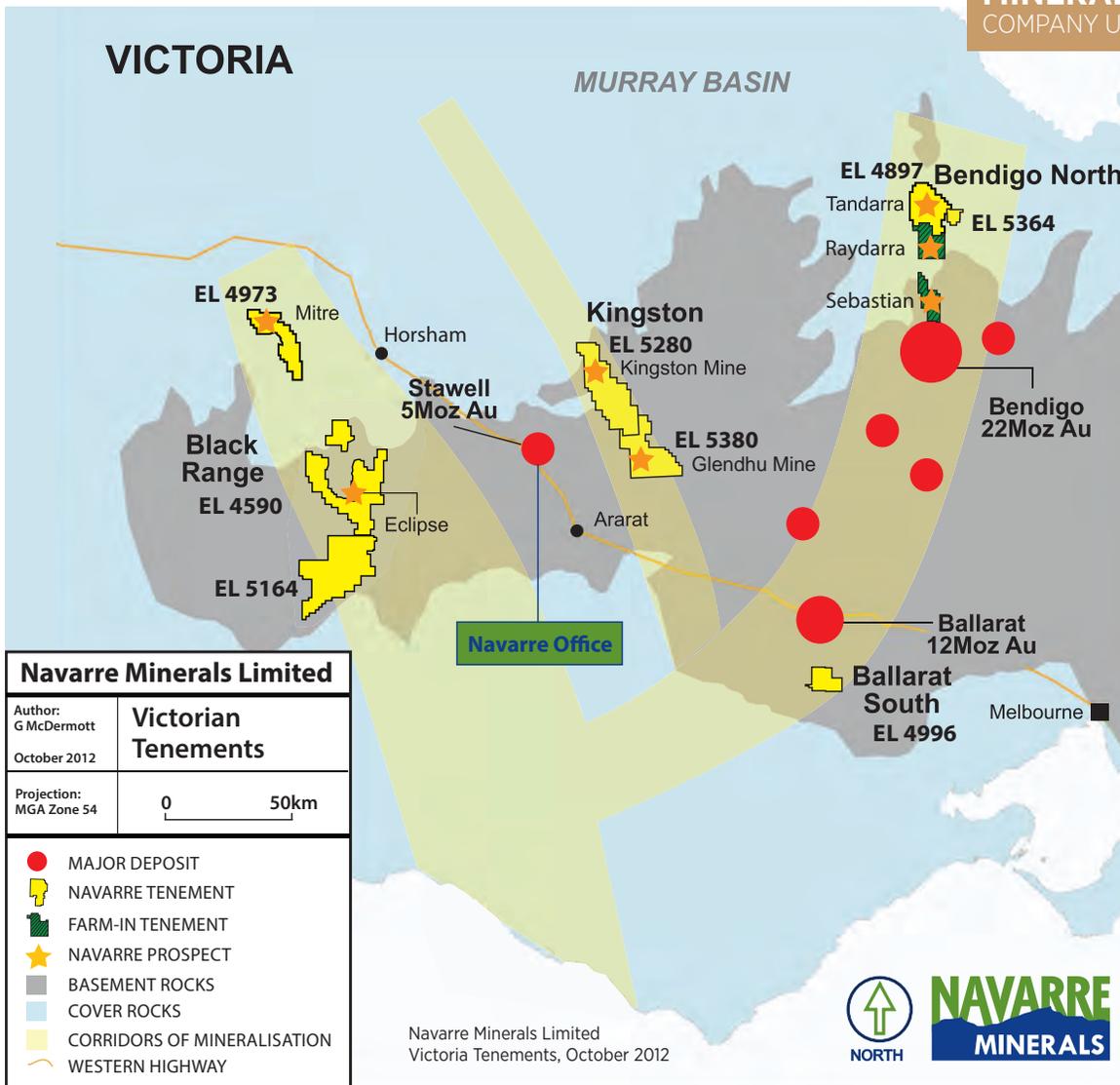
Since the successful July 2011 trial of leading edge geophysics at Tandarra to detect potential gold bearing quartz reef targets under cover, the company has completed 67 line kilometres of CSAMT geophysics resulting in the detection of 29 quartz reef targets for follow-up drill

testing. To date, 14 of these targets have been confirmed by scout and limited air-core drilling to contain gold mineralisation.

An aggressive exploration program of over 30,000 metres of air-core, reverse circulation and diamond drilling on Tandarra has delivered significant gold mineralisation in quartz at relatively shallow depths under Murray Basin sediments.

Trial reverse circulation (RC) drilling over two of the shallowest and highest gold endowed lines of quartz reef intersected to date – the Tomorrow and Macnaughtan lines – has outlined near-surface high-grade gold mineralisation contained within an expansive envelope of gold-bearing quartz stockwork veining.

RC drilling has delivered significant results indicating shallow and potentially economic gold mineralisation over a strike length of 850 metres from within a 2.5 kilometre zone previously established by air-core drilling on the Tomorrow line. The company is working towards



demonstrating the economic potential of an open pit mine at this location. Importantly, the Tomorrow line of reef, as well as the adjacent Macnaughtan line, remains open to both the north and south of the current drilling.

The company has also increased its exploration interests to the north of Bendigo over the past year by farming into other strategic tenements at Raydarra and Sebastian.

Navarre's Landsborough Fault Gold Project, incorporating the historic Kingston, Wimmera and Glendhu goldmines, is located 30 kilometres east of the operating Stawell Gold Mine which is owned by Navarre's largest shareholder, Crocodile Gold Corp. The Landsborough Fault is believed to be a major control on gold mineralisation in western Victoria, a parallel fault system to the nearby Stawell Fault which is considered to be one of the controlling structures for more than 6 million ounces of

historic gold production from the Stawell and Ararat Goldfields.

Recent diamond drilling beneath the historic Kingston workings by the company has returned a best result of 16.9m at 5.5g of gold per tonne from a depth of 65.7m down-hole including 3.1m at 29.5g of gold per tonne. Exploration at Kingston is at an early stage but Navarre is hopeful of defining a shallow resource containing high grade gold mineralisation within quartz stockwork veins.

Navarre holds several exploration tenements in western Victoria, which include the Black Range Project. These areas contain extensive amounts of Cambrian aged volcanics with several occurrences of base metals and gold mineralisation of which the Eclipse prospect is the most advanced and has returned encouraging drilling results. Navarre regards these volcanic rocks as

geologically equivalent to the highly productive Mount Read Volcanics on the West Coast of Tasmania. Ongoing research by the Geological Survey of Victoria in collaboration with Geoscience Australia suggests that these rocks could be part of a Cambrian arc system. These rocks are highly prospective for base metals and gold in either scenario.

The company's strategy is to develop low-cost production from mining high-grade near-surface mineral deposits using cost-efficient open pits. Its vision is to define a maiden mineral resource and to become a low-cost Victorian gold producer through exploration success.

FOR MORE INFORMATION:

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