



**NAVARRE MINERALS LIMITED**

**ABN 66 125 140 105**

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**Half-Year Financial Report and Directors' Report  
31 December 2014**

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## Navarre Minerals Limited

ABN 66 125 140 105

## Corporate Directory

### Company

Navarre Minerals Limited  
ABN 66 125 140 105  
and subsidiary  
Black Range Metals Pty Ltd  
ABN 31 158 123 687

### Directors

Kevin Wilson (Chairman)  
Geoff McDermott (Managing Director)  
John Dorward  
Colin Naylor

### Company Secretary

Jane Nosworthy

### Registered Office & Principal Operations Office

40-44 Wimmera Street  
PO Box 385  
Stawell Victoria 3380 Australia  
Telephone +61 (3) 5358 8625  
Email [info@navarre.com.au](mailto:info@navarre.com.au)  
Website [www.navarre.com.au](http://www.navarre.com.au)

### Share Registrar

Boardroom Pty Limited  
Level 7, 207 Kent Street  
Sydney NSW 2000 Australia  
Telephone +61 (2) 9290 9600  
Facsimile +61 (3) 9279 0664

### Auditor

RSM Bird Cameron Partners  
Level 21,  
55 Collins Street  
Melbourne Victoria 3000 Australia

### Stock Exchange Listing

Australian Securities Exchange  
ASX Limited  
Level 4, North Tower, Rialto  
525 Collins Street  
Melbourne Victoria 3000 Australia  
ASX Code: NML

**Incorporated** 30 April 2007

Victoria, Australia

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### FORWARD LOOKING STATEMENTS

This Financial Report includes certain forward-looking statements that have been based on current expectations about future acts, events and circumstances. These forward-looking statements are, however, subject to risks, uncertainties and assumptions that could cause those acts, events and circumstances to differ materially from the expectations described in such forward-looking statements.

These factors include, among other things, commercial and other risks associated with the meeting of objectives and other investment considerations, as well as other matters not yet known to the Company or not currently considered material by the Company.

## Navarre Minerals Limited

ABN 66 125 140 105

### DIRECTORS' REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

The directors present their report together with the consolidated financial statements of the group comprising Navarre Minerals Limited (variously the "Company", "Navarre" and "Navarre Minerals") and its subsidiary (together, the "Group") for the half-year ended 31 December 2014.

#### 1. DIRECTORS

The names and details of the Company's directors in office during the half-year ended 31 December 2014 and at the date of this report are as follows. The directors were in office during the entire period unless otherwise stated.

<b>Kevin Wilson</b>	<b>Non-Executive Chairman</b> (Non-Independent)
<b>Geoff McDermott</b>	<b>Managing Director</b>
<b>John Dorward</b>	<b>Non-Executive Director</b> (Non-independent)
<b>Colin Naylor</b>	<b>Independent Non-Executive Director</b> (Independent)

#### 2. REVIEW OF OPERATIONS

##### Financial Results

The loss after tax of the Company for the half-year was \$278,350 (31 December 2014: loss after tax of \$205,827).

##### Summary of Operations

The Group maintained an active exploration program during the 6 months ending 31 December 2014 with the main objectives of identifying:

- Long-life gold deposits in the proven Stawell gold corridor; and
- Large low-cost copper deposits in the emerging Western Victorian copper belt (Miga Arc)

Direct exploration expenditure during the first half of 2014 financial year was \$281,276.

##### (a) Western Victoria Copper Project (EL 4590, EL 5425, EL 5426 & EL 5497)

###### **Eclipse Prospect (EL 4590)**

Broad intervals of copper and gold mineralisation were intersected during the half year from shallow RC drilling beneath a supergene enriched copper blanket at Eclipse. These results were compiled with geology, geophysics and alteration mineralogy into a new 3D model. The model is assisting drill design by providing vectors towards a deeper target zone to be tested with subsequent drilling.

Analysis of early data from a trial gravity survey at Eclipse, undertaken in collaboration with Monash University, indicates the mineralisation discovered at Eclipse coincides with a significant density contrast boundary believed to be reflecting an ancient exhalative seafloor position, an ideal position for the formation of massive sulphide deposits (VMS). Targets such as VMS generally occur in clusters within a single stratigraphic layer often referred to as the "favourable horizon". The Company believes the favourable horizon detected at Eclipse can be tracked under cover for several tens of kilometres using geophysics and offers an exciting new exploration target.

###### **Lexington Prospect (EL 5425)**

At Lexington, the search continues for porphyry copper-style mineralisation. A ground gravity survey to assist interpretation of geology and structure of the prospect was approximately 75% complete by the end of the year. Data from the survey is expected to assist with advancing key exploration targets towards drill ready status.

## Navarre Minerals Limited

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### DIRECTORS' REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

#### 2. REVIEW OF OPERATIONS (cont.)

##### *Glenlyle project (EL5 497)*

The Glenlyle exploration licence, granted in September 2014, covers 61 square kilometres of the Miga Arc copper belt in an area considered prospective for the discovery of VMS and porphyry-style copper-gold deposits.

The Company has completed an initial review of previous exploration data and has identified several key exploration targets containing encouraging signs for porphyry and VMS prospectivity for follow-up activity.

The Company is planning an exploration program to test several of these key targets and has registered for co-funding through the Victorian Government TARGET initiative to assist with the Company's first drilling at Glenlyle.

##### **(b) Stawell Corridor Gold Project (Ararat (EL 5476) & Tatyoon (EL 5480))**

The Stawell Corridor Gold Project, incorporating a 2004 discovery of gold under-cover at Tatyoon and the historic Ararat Goldfield, is located up to 50 kilometres south-east of the operating Stawell Gold Mine which is owned by Navarre's largest shareholder and leading Victorian gold producer, Crocodile Gold Corp.

Following grant of the Tatyoon licence in September 2014, the Company has completed a compilation and assessment of historical exploration data, including re-processing and modelling of existing geophysical surveys. This work identified a 1,500 metre long undrilled Stawell-style gold target located on the west flank of the Grange basalt dome. The target is strongly supported by IP geophysics and is located from 35 metres depth to over 300m below surface.

The Company has lodged an exploration work plan with the relevant Victorian Government agency seeking permission for a drill program to test the Grange target. The company anticipates receipt of permissions, engagement of a drilling contractor and commencement of drilling in March – April 2015.

##### **(c) Tandarra Gold Project (EL 4897)**

The Tandarra Gold Project is a greenfields gold discovery under shallow cover, 40 kilometres north of the 22 million ounce Bendigo Goldfield. Under a 2014 Heads of Agreement, project manager Catalyst Metals Limited ("Catalyst") has the right to earn a 51% equity interest in the Tandarra Gold Project by incurring exploration expenditure of \$3 million over the next four years.

Catalyst is preparing for its first drilling program at Tandarra under its stewardship, comprising infill RC or diamond drilling on the Tomorrow line of reef and reconnaissance air-core drilling on the regional mineralisation trends. Drilling is expected to commence in the second quarter of 2015.

On 12 September 2014, Catalyst paid Navarre \$50,000 cash and issued to Navarre 250,000 fully paid ordinary shares in Catalyst. In accordance with the terms of Navarre's agreement with Catalyst, Navarre expects Catalyst to issue a further 250,000 Catalyst shares to Navarre on 12 September 2015.

##### **(d) Landsborough Fault Gold Project (Kingston (EL 5280) )**

No exploration activity was undertaken during the half.

#### **Subsequent Events**

The events subsequent to balance date were as follows:

- (a) In February 2015, the Company raised \$175,000 (before transaction costs) from the placement of 5,833,333 ordinary shares at \$0.03 per share to Crocodile Gold Australia Pty Ltd.
- (b) In February 2015, the Company announced a pro-rata, non-renounceable, 1 for 4 entitlement offer of up to approximately 18,151,953 new shares at \$0.03 per share to raise up to approximately \$544,000 (before transaction costs). The entitlement offer opened on 20 February 2015, and closed on 13 March 2015. As at the date of this report, approximately \$260,000 had been received from this entitlement offer (subject to verification).
- (c) In February 2015, exploration licence EL 5476 was granted.

## **Navarre Minerals Limited**

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### **DIRECTORS' REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2014**

#### **3. OTHER MATTERS**

##### **Share Issues**

No shares were issued by the Company during the half year ended 31 December 2014.

##### **Share Options**

No share options were issued by the Company during the half year ended 31 December 2014. 2,150,000 unlisted share options in the Company expired on 31 December 2014.

##### **Auditor's Independence Declaration**

The directors have received the independence declaration from the auditor, RSM Bird Cameron Partners, set out on page 5.

Signed in accordance with a resolution of the Directors made pursuant to s298 (2) of the *Corporations Act 2001*.

##### **On behalf of the Directors**



**G McDermott  
Managing Director  
Melbourne, 16 March 2015**

### AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Navarre Minerals Limited for the half year ended 31 December 2014, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

*RSM Bird Cameron Partners*

**RSM BIRD CAMERON PARTNERS**

*Jason Croall*

**J S CROALL**  
Partner

Melbourne, VIC  
Dated: 16 March 2015

**Navarre Minerals Limited**

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**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014**

	Note	31/12/2014	31/12/2013
		\$	\$
Interest income		12,981	29,388
<b>Income</b>		<b>12,981</b>	<b>29,388</b>
Net administration expenses	4	(288,326)	(223,971)
Exploration expenditure written-off		(3,005)	(11,244)
<b>Loss before income tax</b>		<b>(278,350)</b>	<b>(205,827)</b>
Income tax expense		-	-
<b>Net loss for the period</b>		<b>(278,350)</b>	<b>(205,827)</b>
<b>Other comprehensive income</b>			
Net fair value loss on available-for-sale financial assets		(20,000)	-
<b>Other comprehensive loss for the period, net of tax</b>		<b>(20,000)</b>	-
<b>Total comprehensive loss for the period</b>		<b>(298,350)</b>	<b>(205,827)</b>
Basic loss per share (cents per share)		(0.38)	(0.35)
Diluted loss per share (cents per share)		(0.38)	(0.35)

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

**Navarre Minerals Limited**

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**CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2014**

	Note	31/12/2014	30/06/2014
		\$	\$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	5	668,546	1,207,176
Trade and other receivables		18,292	49,406
Other financial assets	6	-	10,000
Available-for-sale financial assets	7	45,000	-
<b>TOTAL CURRENT ASSETS</b>		<b>731,838</b>	<b>1,266,582</b>
<b>NON-CURRENT ASSETS</b>			
Other financial assets	6	30,000	30,000
Property, plant and equipment		80,080	116,845
Leasehold improvements		2,062	2,829
Exploration and evaluation costs	8	5,385,605	5,222,334
<b>TOTAL NON-CURRENT ASSETS</b>		<b>5,497,747</b>	<b>5,372,008</b>
<b>TOTAL ASSETS</b>		<b>6,229,585</b>	<b>6,638,590</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		92,021	195,894
Provisions		28,549	45,345
<b>TOTAL CURRENT LIABILITIES</b>		<b>120,570</b>	<b>241,239</b>
<b>TOTAL LIABILITIES</b>		<b>120,570</b>	<b>241,239</b>
<b>NET ASSETS</b>		<b>6,109,015</b>	<b>6,397,351</b>
<b>EQUITY</b>			
Contributed equity	9	9,129,833	9,129,833
Share based payments reserve		101,865	302,485
Net unrealised gains reserve		(20,000)	-
Accumulated losses		(3,102,683)	(3,034,967)
<b>TOTAL EQUITY</b>		<b>6,109,015</b>	<b>6,397,351</b>

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

## Navarre Minerals Limited

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### CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

	Issued Capital \$	Share Based Payments Reserve \$	Net Unrealised Gains Reserve \$	Accumulated Losses \$	Total Equity \$
<b>Balance at 1 July 2014</b>	<b>9,129,833</b>	<b>302,485</b>	-	<b>(3,034,967)</b>	<b>6,397,351</b>
Net loss for the period	-	-	-	(278,350)	(278,350)
Other comprehensive loss	-	-	(20,000)	-	(20,000)
<b>Total comprehensive loss for the year</b>	-	-	<b>(20,000)</b>	<b>(278,350)</b>	<b>(298,350)</b>
<b>Transactions with owners in their capacity as owners:</b>					
Cost of share based payments	-	10,014	-	-	10,014
Transfer of equity instruments lapsed	-	(210,634)	-	210,634	-
<b>At 31 December 2014</b>	<b>9,129,833</b>	<b>101,865</b>	<b>(20,000)</b>	<b>(3,102,683)</b>	<b>6,109,015</b>

	Issued Capital \$	Share Based Payments Reserve \$	Net Unrealised Gains Reserve \$	Accumulated Losses \$	Total Equity \$
<b>Balance at 1 July 2013</b>	<b>8,303,049</b>	<b>265,501</b>	-	<b>(2,435,985)</b>	<b>6,132,565</b>
Net loss for the period	-	-	-	(205,827)	(205,827)
<b>Total comprehensive loss for the year</b>	-	-	-	<b>(205,827)</b>	<b>(205,827)</b>
<b>Transactions with owners in their capacity as owners:</b>					
Cost of share based payments	-	29,813	-	-	29,813
Transfer of equity instruments lapsed	-	(3,700)	-	3,700	-
<b>At 31 December 2013</b>	<b>8,303,049</b>	<b>291,614</b>	-	<b>(2,638,112)</b>	<b>5,956,551</b>

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

## Navarre Minerals Limited

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### CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

	<b>31/12/2014</b>	<b>31/12/2013</b>
	<b>\$</b>	<b>\$</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Payments to suppliers and employees	(246,468)	(290,553)
Interest received	13,766	21,200
<b>Net cash (used in) operating activities</b>	<b>(232,702)</b>	<b>(269,353)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Expenditure on plant and equipment	-	(42,343)
Proceeds from sale of plant and equipment	-	25,546
Expenditure on exploration tenements	(353,509)	(341,945)
Cash consideration paid by Catalyst Metals Ltd as part of Bendigo North farm-out	50,000	-
Research and development tax incentive refund (net)	-	1,218,011
<b>Net cash from / (used in) investing activities</b>	<b>(303,509)</b>	<b>859,269</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Transaction costs on issue of shares	(2,419)	-
<b>Net cash (used in) financing activities</b>	<b>(2,419)</b>	<b>-</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>538,630</b>	<b>589,916</b>
Cash and cash equivalents at beginning of period	1,207,176	571,281
<b>Cash and cash equivalents at end of period (Note 5)</b>	<b>668,546</b>	<b>1,161,197</b>

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

## Navarre Minerals Limited

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### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

#### NOTE 1: CORPORATE INFORMATION

The financial report of Navarre Minerals Limited (“Navarre Minerals”, or the “Company”) for the half-year ended 31 December 2014 was issued on 16 March 2015 in accordance with a resolution of the directors.

Navarre Minerals Limited is a company limited by shares incorporated in Australia. The Company’s shares are publicly traded on the Australian Securities Exchange (ASX).

The nature of operations and principal activities of the Group are described in Note 3.

#### NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### (a) Basis of Preparation

This general purpose financial report for the half-year ended 31 December 2014 has been prepared in accordance with AASB 134 “Interim Financial Reporting” and the Corporations Act 2001.

The half-year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report.

It is recommended that the half-year financial report be read in conjunction with the annual report for the year ended 30 June 2014 and considered together with any public announcements made by Navarre Minerals Limited during the half-year ended 31 December 2014 in accordance with the continuous disclosure obligations of the ASX listing rules.

##### (b) Changes in accounting policy, accounting standards and interpretations

The accounting policies adopted in the preparation of the half-year report are consistent with those followed in the preparations of the Group’s most recent annual financial report for the year ended 30 June 2014 except for the recognition of investment and other financial assets as described below, which has been applied for the first time in the current half-year. The adoption of new standards and interpretations as of 1 July 2014 has no material impact on the Group. Australian Accounting Standards and Interpretations that have recently been issued or amended, but are not yet effective, have not been adopted by the Company for the reporting period ending 31 December 2014.

##### • Investment and Other Financial Assets

Investments and financial assets in the scope of AASB 139 Financial Instruments: Recognition and Measurement are categorised as either financial assets at fair value through profit and loss, loans and receivables, held-to-maturity investments, or available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired or originated. Designation is re-evaluated at each reporting date, but there are restrictions on reclassifying to other categories.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of assets not at fair value through profit or loss, directly attributable transaction costs.

##### ***Available-for-sale (AFS) Financial Investments***

AFS financial investments include equity investments and debt securities. Equity investments classified as AFS are those that are neither classified as held for trading nor designated at fair value through profit or loss. Debt securities in this category are those that are intended to be held for an indefinite period of time and that may be sold in response to needs for liquidity or in response to changes in the market conditions.

After initial measurement, AFS financial investments are subsequently measured at fair value with unrealised gains or losses recognised as Other Comprehensive Income (OCI) and credited in the AFS reserve until the investment is de-recognised, at which time the cumulative gain or loss is recognised in other operating income, or the investment is determined to be impaired, when the cumulative loss is reclassified from the AFS reserve to the statement of profit or loss.

The Group evaluates whether the ability and intention to sell its AFS financial assets in the near term is still appropriate. When, in rare circumstances, the Group is unable to trade these financial assets due to inactive markets, the Group may elect to reclassify these financial assets if management has the ability and intention to hold the assets for the foreseeable future or until maturity.

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### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

#### NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

##### *Impairment of Financial Assets*

The Group assesses, at each reporting date, whether there is objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that has occurred since the initial recognition of the asset (an incurred 'loss event') has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

##### **(c) Going concern**

The financial report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation and settlement of liabilities in the normal course of the business.

The Group incurred a loss of \$278,350 and had net cash outflows from operating activities of \$232,702 and net cash outflows from investing activities of \$303,509, respectively, for the half-year ended 31 December 2014. The Group's cash reserves have decreased from \$1,207,176 as at 30 June 2014 to \$668,546 as at 31 December 2014. The Directors believe that there are reasonable grounds to believe that the Group will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report after consideration of the following factors:

- (i) As indicated in Note 12, post 31 December 2014, the Group raised \$175,000 from a share placement to major shareholder, Crocodile Gold Australia Pty Ltd, and as at the date of this report, has raised approximately a further \$260,000 (subject to verification) through an entitlement offer to existing shareholders which closed on 13 March 2015.
- (ii) The Group will seek to raise further capital, if required, as and when necessary to meet its projected operations. The decision of how the Group will raise future capital will depend on market conditions existing at that time. It is the Group's plan that this capital will be raised by any one or a combination of the following: placement of shares, pro-rata issue to shareholders, the exercise of outstanding options, and/or a further issue of shares to the public.
- (iii) Should these methods not be considered to be viable, or in the best interests of shareholders, then it would be the Group's intention to meet its obligations by either partial sale of the Group's interests or farm-out, the latter course of action being part of the Group's current overall strategy.

Based on the above, the Directors are of the opinion that the Group will be able to continue as a going concern and the use of the going concern basis of accounting is appropriate.

#### NOTE 3: SEGMENT INFORMATION

The Group's reportable segment is confined to mineral exploration only.

## Navarre Minerals Limited

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### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

#### NOTE 4: NET ADMINISTRATION EXPENSES

	Consolidated	
	31/12/2014	31/12/2013
	\$	\$
<b>Net administration expenses</b>		
Consultants fees and expenses	10,245	-
Directors remuneration (non-executive)	54,750	54,625
Salaries and on-costs	298,386	345,289
Share based payments	10,015	29,813
Investor relations	15,537	679
Motor vehicle expenses	6,791	8,504
Audit costs	9,720	9,407
Stock exchange registry and reporting costs	29,289	28,609
Travel costs	2,321	3,708
Depreciation and amortisation	27,054	29,529
Other administration expenses	36,031	29,977
Gross administration expenses	500,139	540,140
Allocated to exploration licences	(211,813)	(316,169)
	<u>288,326</u>	<u>223,971</u>
Net administration expenses	<u>288,326</u>	<u>223,971</u>

#### NOTE 5: CASH AND CASH EQUIVALENTS

	Consolidated	
	31/12/2014	30/06/2014
	\$	\$
Cash at bank and in hand	668,546	1,207,176
	<u>668,546</u>	<u>1,207,176</u>

Cash at bank earns interest at floating rates based on daily bank rates.

#### NOTE 6: OTHER FINANCIAL ASSETS

	Consolidated	
	31/12/2014	30/06/2014
	\$	\$
<b>Current</b>		
Term Deposits	-	10,000
	<u>-</u>	<u>10,000</u>
<b>Non-current</b>		
Bank Guarantees – Exploration Permits	30,000	30,000
	<u>30,000</u>	<u>30,000</u>

#### NOTE 7: AVAILABLE-FOR-SALE FINANCIAL ASSETS

	Consolidated	
	31/12/2014	30/06/2014
	\$	\$
At fair value		
Shares – Australian listed	45,000	-
	<u>45,000</u>	<u>-</u>

## Navarre Minerals Limited

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### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

#### NOTE 8: EXPLORATION AND EVALUATION COSTS

	Consolidated	
	31/12/2014	30/06/2014
	\$	\$
Balance at beginning of the period	5,222,334	4,342,324
Expenditure for the period	281,276	986,412
Expenditure written-off during the period	(3,005)	(106,402)
Cash consideration paid by Catalyst Metals Ltd as part of Bendigo North farm-out	(50,000)	-
Non-cash consideration paid by Catalyst Metals Ltd as part of Bendigo North farm-out	(65,000)	-
	<u>5,385,605</u>	<u>5,222,334</u>

Capitalised exploration and evaluation costs at 31 December 2014 are \$5,385,605 (June 2014: \$5,222,334) which relate to Bendigo North (\$3,329,662), Western Victoria Copper Project (\$1,519,308), Landsborough Fault (\$425,344) and Stawell Corridor (\$111,291).

#### NOTE 9: CONTRIBUTED EQUITY AND RESERVES

	Consolidated			
	31/12/2014	31/12/2014	30/06/2014	30/06/2014
	Shares	\$	Shares	\$
ISSUED AND PAID UP CAPITAL				
Ordinary shares	72,607,653	9,129,833	72,607,653	9,129,833
	<u>72,607,653</u>	<u>9,129,833</u>	<u>72,607,653</u>	<u>9,129,833</u>

#### NOTE 10: COMMITMENTS AND CONTINGENCIES

##### (a) Commitments

There have been no material changes to commitments since the annual financial statements that were issued for the year ended 30 June 2014.

##### (b) Contingent Liability

###### *R&D Tax Incentive refund*

The Company received a refund of \$1.4 million (Refund) from the Federal Government following registration under the government's Research and Development (R&D) Tax Incentive program (Program) in respect of R&D activities conducted by the Company in the 2011/12 year as part of its exploration work programs. In 2014, the government agency responsible for administering the Program, AusIndustry, commenced a Compliance Activity Review of the Company's registration under the Program. An Activity Review Meeting was conducted by AusIndustry in July 2014 and the Company responded to a request for additional information. AusIndustry has recently notified the Company that the Company's registration remains under review and is considered to have a high risk of non-compliance with the eligibility requirements of the Program. The Company is currently preparing additional information and evidence in support of its claimed R&D activities.

Taking into account advice from the Company's R&D tax consultant and the views of management, the Directors and the Company's R&D tax consultant believe the Company's R&D registration is in compliance with the requirements of the Program. However, there is a risk that AusIndustry may disagree with the Company's assessment of the eligibility of its claimed R&D activities under the Program and make a finding that some or all activities are ineligible under the Program. In the event of an adverse finding, the Company would pursue all available avenues for appeal. Even if the Company pursues those avenues of appeal there remains a risk that the Company may be required to repay to the Australian Taxation Office (ATO) some or all of the Refund, in which case the Company may be required to draw on its cash reserves and/or may require additional capital in order to meet that liability to the ATO.

## **Navarre Minerals Limited**

ABN 66 125 140 105

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2014**

#### **NOTE 11: SHARE BASED PAYMENT PLANS**

No share options were granted to employees of the Company during the half-year ended 31 December 2014. 2,150,000 unlisted share options in the Company expired on 31 December 2014.

#### **NOTE 12: EVENTS SUBSEQUENT TO BALANCE DATE**

The events subsequent to balance date were as follows:

- (a) In February 2015, the Company raised \$175,000 (before transaction costs) from the placement of 5,833,333 ordinary shares at \$0.03 per share to Crocodile Gold Australia Pty Ltd.
- (b) In February 2015, the Company announced a pro-rata, non-renounceable, 1 for 4 entitlement offer of up to approximately 18,151,953 new shares at \$0.03 per share to raise up to approximately \$544,000 (before transaction costs). The entitlement offer opened on 20 February 2015, and closed on 13 March 2015. As at the date of this report, approximately \$260,000 had been received from this entitlement offer (subject to verification).
- (c) In February 2015, exploration licence EL 5476 was granted.

## Navarre Minerals Limited

ABN 66 125 140 105

### DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Navarre Minerals Limited, I state that:

In the opinion of the Directors:

- (a) The financial statements and notes of Navarre Minerals Limited for the half year ending 31 December 2014 are in accordance with the *Corporations Act 2001*, including:
  - (i) Giving a true and fair view of the consolidated entity's financial position as at 31 December 2014.
  - (ii) Complying with Accounting Standard AASB 134 'Interim Financial Reporting' and *Corporations Regulations 2001*.
- (b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

**On behalf of the Board**



**G McDermott**  
**Managing Director**  
**Melbourne, 16 March 2015**

**INDEPENDENT AUDITOR'S REVIEW REPORT**  
**TO THE MEMBERS OF**  
**NAVARRE MINERALS LIMITED**

**Report on the Half-Year Financial Report**

We have reviewed the accompanying half-year financial report of Navarre Minerals Limited which comprises the consolidated statement of financial position as at 31 December 2014, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

*Directors' Responsibility for the Half-Year Financial Report*

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

*Auditor's Responsibility*

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Navarre Minerals Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

*Independence*

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations act 2001*, which has been given to the directors of Navarre Minerals Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

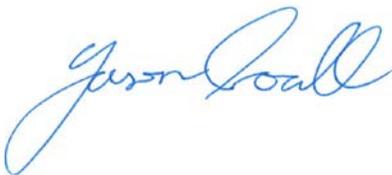
*Conclusion*

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Navarre Minerals Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

*RSM Bird Cameron Partners*

**RSM BIRD CAMERON PARTNERS**



**J S CROALL**  
Partner

Melbourne, VIC  
Dated: 16 March 2015