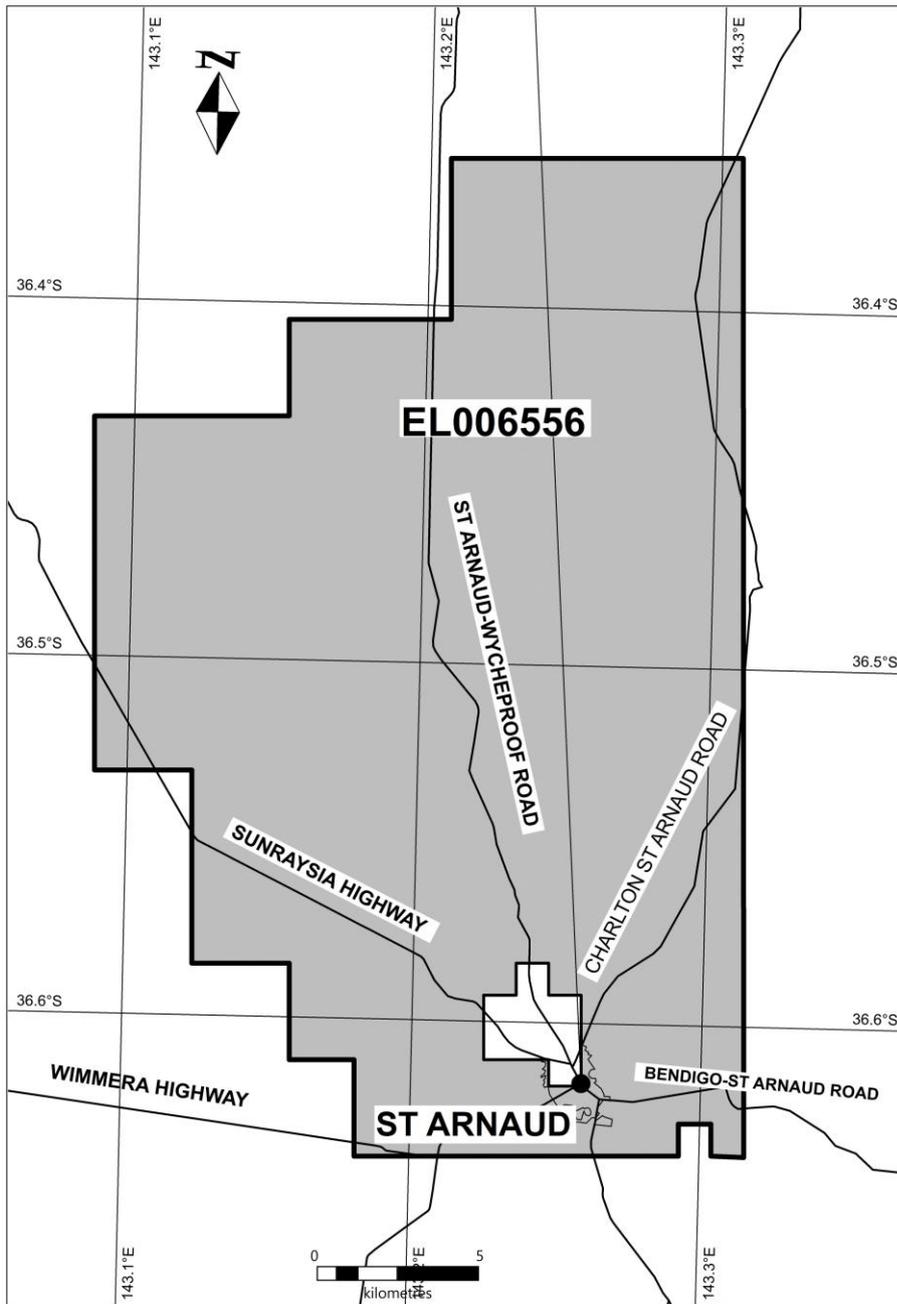


Exploration Licence Application EL006556

Location

EL006556 St Arnaud (479km²)



Proposed Program of Work

Navarre Minerals Limited ('Navarre' or the 'Company') has applied for this area as part of the Company's strategy to locate and test gold targets within a 100km radius of the Stawell Gold Mines processing facility ("SGM"). The application area, approximately 80km by road from SGM, wholly surrounds the main historic gold mining areas of the St Arnaud Goldfield. The St Arnaud Gold Project application area will become part of Navarre's successful regional strategy using the same exploration process which has resulted in the recent Irvine discovery within EL5476 (ASX announcement dated 1/12/2016).

This proposed exploration program applies the following systematic approach to evaluating the entire area for gold mineralisation:

- Office-based desk top studies to determine the nature of geology and mineralisation within the application area and to guide targeted on-ground exploration efforts;
- Ground reconnaissance mapping and rock chip sampling (collecting loose surface material) over areas of interest identified in office studies, including historic mine dumps and areas of geological outcrop;
- Geochemical soil sampling programs (300g soil sample taken from approx. 25cm depth by hand) over areas of interest identified in mapping and rock chip sampling;
- Geophysical surveys as required, typically using gravity, magnetics or Induced Polarisation methods;
- Air-core drill testing over targets identified by soil sampling and geophysical surveys; and
- If the air core drill program is successful, reverse circulation and diamond drilling would then be planned to further investigate any anomalous gold results.

The time frame within which the proposed activities will occur is difficult to determine as exploration depends on fund raising which is influenced by market conditions. Navarre aims to complete office based activities, mapping, rock chipping, regional soil sampling, geophysics and planning for first pass air core drilling within the first year of the licence. Air core drilling programs are likely to be undertaken in the second year with further follow-up air core drilling and diamond drilling planned beyond this.

Systems for Managing Impacts of the Proposed Work

Navarre conducts all exploration activities in accordance with regulations set out by the Mineral Resources (Sustainable Development) Act 1990 ('MRSDA'), with emphasis on the social and environmental impacts of mineral exploration.

The majority of activities proposed by Navarre within EL006556 fit under the MRSDA definition of Low Impact Exploration and as such, no work plan is required. If any exploration is to be conducted outside the Low Impact Exploration definition, a work plan will be lodged with the Department of Economic Development, Jobs, Transport and Resources ('DEDJTR').

In executing activities defined as Low Impact Exploration, the Company is required to adhere to DEDJTR's **Code of Practice for Mineral Exploration: Standards, procedures and practical guidance under the Mineral Resources (Sustainable Development) Act 1990** (www.earthresources.vic.gov.au).

The Code of Practice sets best practice requirements for minimising impact to the environment and to communities in which the Company operates. Navarre ensures each activity undertaken as part of an exploration program is executed to meet the standards set out in the Code of Practice, and this is reflected in Navarre's internal procedures. A recent inspection by DEDJTR of a diamond drilling program demonstrated compliance with the Code of Practice for drilling and rehabilitation activities.

Community Engagement

Under section 39A of the MRSDA, Navarre has a duty to consult with the community throughout the period of the licence by sharing with the community information about any activities authorised by the licence that may affect the community and giving community members a reasonable opportunity to express their views about those activities. The type and level of consultation will vary according to the stage and complexity of the project, the potential risks and who may be affected.

Navarre use the guidance provided in the **Code of Practice for Mineral Exploration** and DEDJTR's **Community Engagement Guidelines for Mining and Mineral Exploration in Victoria** to design appropriate community consultation material. Navarre tailors its community engagement strategy for each exploration program to meet the community's dynamics and the level of exploration planned.

Navarre recognises the importance of community engagement as an integral part of our exploration activities. We set out to develop strong, open and honest relationships with our neighbours by encouraging community confidence and mutual respect.

Navarre commences the consultation phase at the design stage of an exploration program to ensure that any risks associated with an operation are identified early in the process, concerns of land owners / occupiers and local residents are appropriately addressed, and exploration works will not cause unnecessary adverse effects or conflict with other land users.

During the active exploration phase, Navarre keeps in regular contact with landholders and any directly affected neighbours to ensure that any issues are quickly addressed. Once exploration and rehabilitation is complete, Navarre seeks feedback from landholders to ensure that they are satisfied that the rehabilitation works are suitable.

Navarre aims to keep the community informed through all phases of exploration (planning, drilling and rehabilitation) through a combination of communication methods, which may include:

- the company's website (www.navarre.com.au);
- local print media, particularly the Stawell Times News;
- mailouts (print and electronic) to landholders directly and indirectly affected by exploration activities with details of designated Navarre contact personnel;
- meetings with local authorities and Government agencies; and
- meetings with key landholders, individuals and representative groups to seek feedback on the execution of exploration activities.