

1st June 2017

UPDATE ON EXPLORATION ACTIVITIES IN THE ARMSTRONG AREA

Navarre Minerals is a Stawell-based minerals exploration company listed on the ASX, and we are undertaking minerals exploration in the Armstrong area.

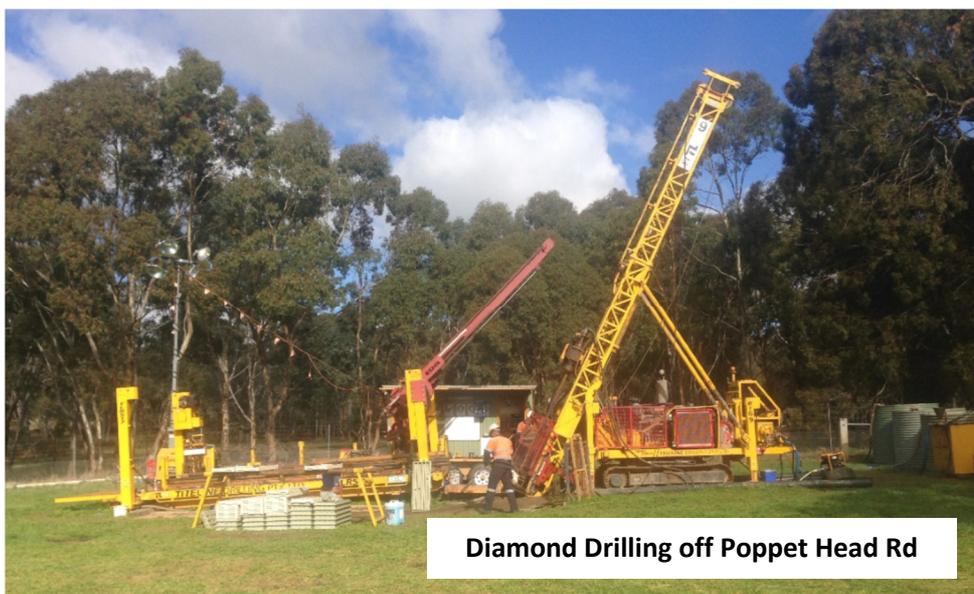
The target for our exploration activities is the source of gold that gave rise to the historic alluvial workings of the Ararat Goldfield. We are testing a range of ideas we have in specific areas west of the highway in Armstrong. We wish to thank the landholders we have worked with to date, as well as the Ararat and Northern Grampians Shire Councils, for their cooperation and assistance while we explore.

Navarre is committed to maintaining ongoing dialogue with stakeholders, and we have prepared this update in line with that commitment.

Recent Drilling Results

You may have read recent articles in the Stawell Times News and Ararat Advertiser. These articles were prompted by Navarre's most recent release of drilling results to the ASX. You can find all of Navarre's ASX releases on our website at the following link: <http://navarre.com.au/asx-announcements/>. You may like to refer to the website for an announcement released today (1st June 2017) regarding an initiative to raise additional funding for ongoing exploration.

Alternatively, if you would like to be placed on our email distribution list to receive notification of such announcements, please let us know by emailing info@navarre.com.au or make a general enquiry via our website.



To date, eight (deeper) diamond drill holes have been drilled in the Armstrong area, with results from four being publicly released. Results from these initial four holes indicate that a gold-bearing geological structure is present, which we now call the Resolution Lode.

What we know about the Resolution Lode, so far, is that it extends for about 800m in a north-westerly direction, and in one drill hole, it extends from surface down to a depth of at least 170m. Assay results from the drilling show gold mineralisation in the Resolution Lode.

These early results have encouraged Navarre to (1) search for other mineralised structures (2) attempt to scope out the size, geology and gold content of the Resolution Lode. As a result, shallow air-core drilling has been initiated in the southern Armstrong area to test new targets and more diamond drilling conducted to further understand the Resolution Lode in the vicinity of Garden Gully and Poppet Head Roads.

Whilst the ASX releases liken the geological structures at Armstrong to that of Stawell, a great deal more exploration is required to understand whether or not the structure actually holds significant or commercial amounts of gold. We know from records of historic mine activity that the Ararat Goldfield was productive from the 1850s up until 1930, but we are yet to understand how much gold actually remains, where it is located and how deep it is.

Local Stakeholder Meeting

Navarre has been in discussion with several community members regarding the terms of a meeting with local stakeholders. We anticipate more information will be circulated in the coming weeks regarding this opportunity.

Exploration and mining have the potential to be very divisive in some communities. Our employees have many years of experience between us and we have no wish to see the Armstrong community become divided. We have observed that at this stage your Community is very supportive of each other, and this is what we wish to maintain.

Future Plans for Exploration

Results from drilling to date have encouraged Navarre to continue the exploration program in the Armstrong area. The Company is continuing with the current drilling programs until winter rains make ground conditions too wet to persist.

Depending on spring weather conditions, it is expected that air core drilling will re-commence around September this year. Diamond drilling in the Eaglehawk Rd and Garden Gully Rd areas is



also expected to come to a halt in the next 2 weeks due to wet ground conditions. During winter, some geological mapping, surveys and soil sampling may be undertaken in the area. The winter break is also a time to review and take stock of the results from exploration undertaken in the first half of the year and to plan the next phase of exploration.

Will there be a Mine?

We understand that this is the question on everyone's lips. However, at this time we simply don't have anywhere near enough information to be able to answer that question. What we do have is a discovery, but we do not have a commercial deposit or mine and nor do we have a Mining Licence from government.

We understand that the possibility of a mine in the community is likely to be a very challenging concept, with potential impacts for your family and/or your business, whether it be emotionally, physically and/or commercially. We understand your desire for this information and we would very much like to be able to give that to you, but the reality is that we don't have that information yet. We don't know if there is enough gold to warrant a mine; we don't know how deep it is; and we don't know where the higher grades are located. What we do know is that we have enough information to encourage Navarre to continue to explore in the Armstrong area via drilling, surveys and soil sampling.

If Navarre comes to a point of wanting to progress the project from exploration to what is known as resource definition, we would ensure all stakeholders are aware of the change in circumstance and we would plan to undertake higher density (closer pattern) drilling in the prospective areas to map potential ore zones and better estimate how much gold may be there. It is at this stage where a company usually makes a decision either to pursue or end drilling activities.

IF the resource definition drilling defined an area containing enough gold to be of economic importance (known as a Mineral Resource), the Company would ensure all stakeholders are aware of the change in circumstance, apply for a Mining Licence, undertake a financial study, raise study and development funds, negotiate ongoing land access agreements and commence a mine approval process – most of which call for community involvement.

Minerals Ownership

Minerals in Australia are owned by the Crown (or State Government). Freehold land ownership typically ceases below the soil horizon used for agricultural purposes, leaving the balance to the Crown and the people of Victoria. This entitles the government to issue licences to companies such as Navarre, giving them the right to explore for and possibly develop mineral deposits.

Approximately 40% of Victoria is covered by exploration licences.

The Minerals Council of Australia and the Victorian Farmers' Federation have produced a joint publication called "*Introduction to Victoria's Mineral Resources (Sustainable Development) Act 1990*" – this document is available at http://www.minerals.org.au/mca/victoria/land_access.

Navarre's Communications Strategy

Navarre is continually improving communication and engagement strategies with stakeholders. Face-to-face stakeholder meetings and published updates such as this are part of the increased level of communication. In order to improve our communications strategy, your feedback is critical – so please accept our offers to engage with you in a variety of ways. We are of the view that your concerns can and should be dealt with in an efficient and satisfactory matter – for all concerned – through personal interaction between you, the landholders, and the Navarre team.

Navarre have a number of people available to discuss your concerns. Please feel free to contact us via telephone or email and we will direct your enquiry to the right person for response.

Further Information

Laura Chibnall
Stakeholder Engagement & Project Advisor
laura.chibnall@bigpond.com

Shane Mele
Exploration Manager
shane@navarre.com.au

Please feel free to forward this update to other interested people within the local community.

If you received this update in the post and would like future correspondence to be received via email please let us know info@navarre.com.au.