

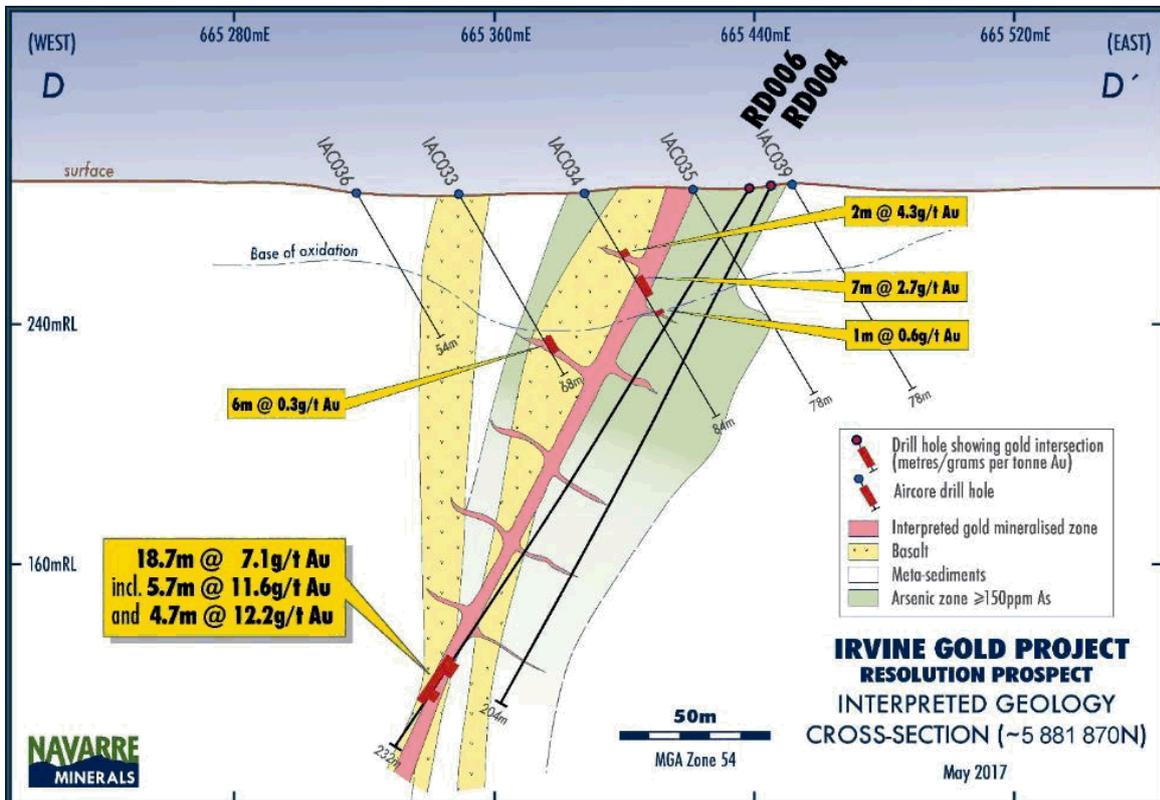
Research Flash

Is this a mirror image of the 4Moz Stawell Gold Field?

News:

Navarre Minerals (ASX:NML) Market Cap A\$25.8M @ 9.1cps Cash A\$3M

The 4Moz Stawell gold field lies on the western side of a basalt dome immediately north of the Stawell Granite - in a pressure shadow. Twenty years ago, structural analysis suggested that the eastern side of any basalt domes south of the Stawell Granite would also provide a pressure shadow and may host comparable mineralisation. Navarre has now drilled shallow holes on what they call Resolution Lode, with a discovery hole reporting 6m @ 6.3g/t Au, and on Adventure Lode, with 6m @ 5.1 g/t Au. Other shallow holes on both lodes have reported "ore grade and width" intersections. NML is currently drilling deeper holes on the Irvine Project, south of the Stawell Granite with the objective of establishing continuity along strike and to depth. The **Resolution** lode looks to be 1.6km in strike, and **Adventure** 1.0km in strike. The Magdala lodes at Stawell were under 1km in length. Below is a cross section at Resolution. You'll see that the diamond holes are drilled "the wrong way", that is, down dip. The down-hole intersection is substantially greater than if they'd been drilled to the east - like the aircore drilling. These aren't "Directors' Specials". It was a function of access at the time of drilling. Below is a stylised interpretation of the cross section.

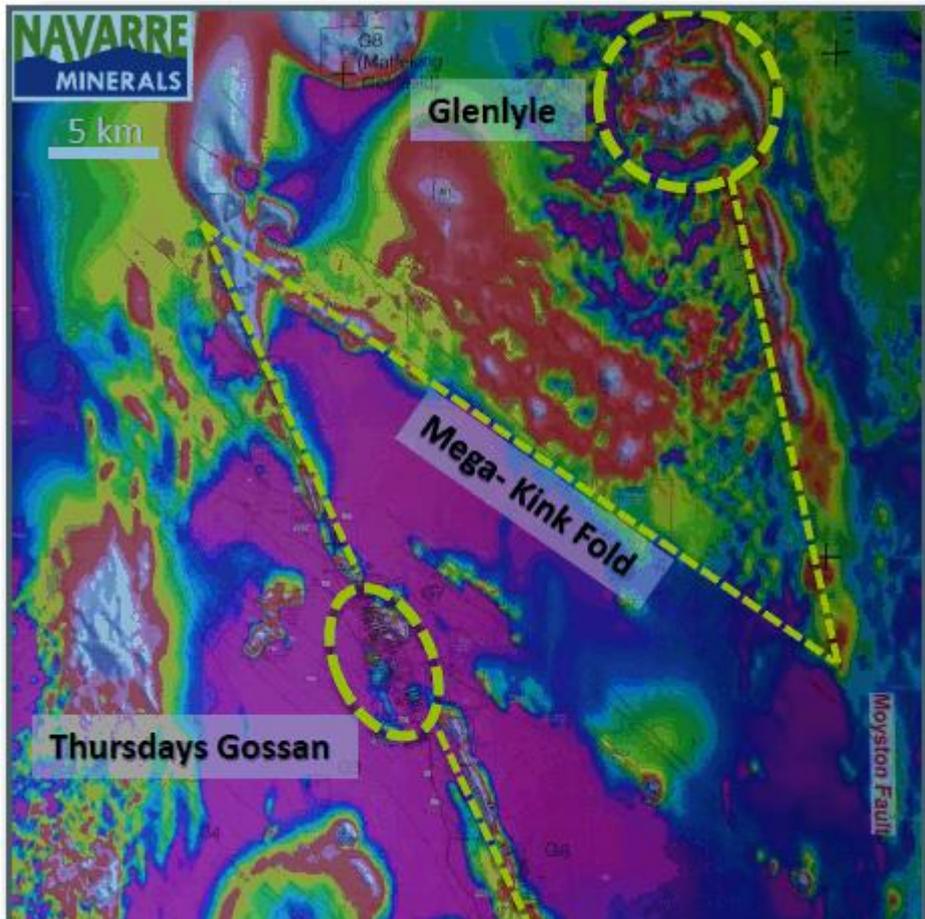


Our View:

MD Geoff McDermott was the mine geologist when Stawell was owned and operated by WMC in the 1980s. He has a strong theoretical and practical knowledge of the Magdala mineralisation and its structural controls, and of the goldfield.

The work on the Irvine project confirms the prospectivity of the **Resolution** and **Adventure** lodes. It also confirms what's seen at Magdala - mineralisation in the oxide zone appears to be weaker than in the deeper primary mineralisation. Drilling is currently underway to infill the work to date and define an initial resource to JORC Code 2012 standards. We'd expect that future drilling will extend this to depth, and increase the resource base. Some exploration drilling may also indicate other lodes.

You may be aware that the NML ground extends along strike and east of the Stavely Minerals (ASX:SVY) tenements. NML interprets their **Glenlyle** target as sitting above a gold-copper porphyry, and analogous to Stavely's **Thursdays Gossan** prospect. They're also in JV with Catalyst (ASC:CYL) in the **Tandarra** project, where CYL is earning in, looking for an un-mined Bendigo-style goldfield, north of Bendigo, under shallow cover. Drilling to date has delivered the sorts of intersections you could expect to get, bearing in mind the nuggetty nature of Bendigo's gold reefs.



After many years of marginal hand-to-mouth operations, under Canadian-listed Kirkland Lake, the Fosterville gold mine has hit its straps, processing ore at 15.8g/t to produce over 260,000 ounces of gold in 2017. This has rejuvenated interest in Victorian gold. Catalyst's positive exploration results has seen their share price double from below A\$0.30 in early 2016 (and A\$0.60 in early 2017) to the current A\$1.20 level. Stavely's results have seen their share price lift with some positive interpretation of the results from Thursdays Gossan. Navarre's price has also lifted - from a low of 3 cents to the current 10cps.

We think all three juniors - CYL, NML and SVY are well managed junior exploration plays, with funds to take them to the next stage of their exploration programs. represent good

Disclosure: a consultant, or a family member of a consultant involved in the preparation of this note may hold shares in Catalyst, (ASX:CYL), Navarre (ASX:NML) and Stavely (ASX:SVY).

Regards,

Chris Brown

Consultant - Resources

Level 29, 123 Eagle St, Brisbane QLD 4000

Email: chris.brown@morgans.com.au

Direct: 07 3334 4885 | Mobile: 0418 737 810 | Fax: 07 3834 0885 | morgans.com.au/brisbane

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