

17 July 2014

June 2014 Quarter

Report to Shareholders

Navarre Minerals Limited

ABN 66 125 140 105

ASX Code: NML

Corporate Details

Issued capital:

72.6M ordinary shares

4.2M unlisted options

Directors & Management:

Kevin Wilson

(Non-Executive Chairman)

Geoff McDermott

(Managing Director)

John Dorward

(Non-Executive Director)

Colin Naylor

(Non-Executive Director)

Jane Nosworthy

(Company Secretary)

Wessley Edgar

(Exploration Manager)

Contact Details

Geoff McDermott

Managing Director

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KEY POINTS

- **Drilling at Eclipse intersects sulphide mineralisation and alteration over broad intervals. Intersections include:**
 - 136m @ 0.3g/t Au from 6m to end of hole
 - 107m @ 0.2% Cu from 31m to end of hole
 - 95m @ 0.1% Cu from 25m to end of hole
- **Drilling is providing vectors towards a deeper target zone outlined by geophysics – to be tested with subsequent drilling**
- **Share Placement and Share Purchase Plan completed raising \$844,000**
- **Finalised Heads of Agreement with Catalyst Metals for farm-out of Bendigo North project**

1. EXPLORATION

Navarre Minerals Limited (ASX: NML) (“Navarre” or “the Company”) is concentrating on developing its copper and gold interests in western Victoria.

Activity during the June quarter focused on the Eclipse copper-gold prospect, part of the Company’s Western Victoria Copper Project, 300km north-west of Melbourne in the Miga Arc copper belt.

1.1 WESTERN VICTORIA COPPER PROJECT (ELs 4973, 4590, 5425, 5426 & ELA 5497)

Eclipse prospect (EL 4590)

The Eclipse prospect is within Navarre’s 100%-owned Western Victoria Copper Project. The Project captures multiple, largely untested targets in 130km of Miga Arc volcanics (Figure 1). The Miga Arc is recognised as a continental margin arc setting similar to the Andes, host to the world’s largest known copper porphyry deposits.

Navarre commenced a reverse circulation (RC) drilling program at Eclipse in early June targeting IP Target 1 (Figure 2).

The program aimed to follow up a previous RC drill campaign in January 2014 that resulted in the discovery of significant near-surface copper and gold mineralisation up to **2.8% Cu and 3.6g/t Au** starting at 30m from surface (see NML's ASX release 14 March 2014).

Results from the first six holes of the 11-hole program, announced 10 July 2014, demonstrated broad intervals of copper and gold mineralisation from the first of three Induced Polarisation (IP) geophysics targets at Eclipse.

Copper

Best results include*:

- **107m @ 0.2% Cu & 0.2 g/t Au** from 31 metres ending in mineralisation in RCBR0012;
- **95m @ 0.1% Cu** from 25 metres ending in mineralisation in RCBR0017; and
- **15m @ 0.2% Cu & 0.2 g/t Au** and **38m @ 0.2% Cu & 0.1 g/t Au** from 39m and 78m down-hole, respectively in RCBR0013.

Gold

Best results include*:

- **136m @ 0.3 g/t Au** from 2m to end of hole in RCBR0012, including **3m @ 1.8 g/t Au** from 6m downhole;
- **40m @ 0.2 g/t Au** from 14m, including **1m @ 1.3 g/t Au**; and **38m @ 0.2 g/t Au** from 78m down-hole in RCBR0013;
- **20m @ 0.4 g/t Au** from 35m, including **1m @ 3.6 g/t Au** in RCBR0014; and
- **11m @ 0.6 g/t Au** from 71m, including **4m @ 0.9 g/t Au** in RCBR0015.

Silver and Zinc

Significant silver and zinc results have also been returned, mainly from within the newly identified gold zone.

Significant results include*:

- **37m @ 0.5% Zn** from 77m, including **4m @ 1.0% Zn** from 102m in RCBR0012;
- **20m @ 0.6% Zn & 8.6 g/t Ag** from 35m, including **3m @ 1.4% Zn & 20.2 g/t Ag** from 40m in RCBR0014; and
- **11m @ 0.4% Zn** from 44m in RCBR0015.

**Refer to Navarre's 10 July 2014 ASX release for further details about the recent RC drilling results.*

Results from outstanding assays are due in August.

More drilling to around 300m depth may be required to enable a confident understanding of the copper and gold mineralisation, grades, dimensions and style at Eclipse IP Target 1.

Eclipse IP Target 2 has a similar geophysical character to IP Target 1 and may also be a possible VMS target which will require drilling to confirm (Figure 2).

The deeper, undrilled IP Target 3 at Eclipse (Figure 2) has a distinctly different geophysical character featuring a large central resistive core with a subtle chargeability annulus at depth (+500m). Deeper RC holes above this target will be considered to detect significant copper anomalism or porphyry-style veining prior to drilling a deeper diamond hole.

With the onset of wet weather, the current drilling program has been suspended until ground conditions improve. Navarre is keen to follow up these broad intervals of copper and gold mineralisation with a systematic program aimed at vectoring towards potential areas of higher grade once further results, petrographic studies and interpretation of the geology is complete.

Navarre is also planning its first drill holes into IP Targets 2 and 3, and the Lexington Prospect (EL 5425) near Stavely Minerals' Thursday's Gossan deposit in the new field season, to test for mineralisation and large alteration zones indicative of both VMS and porphyry systems (Figure 1).

1.2 NORTH BENDIGO GOLD PROJECT (ELs 4897, 5266, 4536 & 4974)

Farm-out to Catalyst Metals

During the quarter, Navarre signed a formal Heads of Agreement with Catalyst Metals Limited (ASX: CYL) (Catalyst) to enable Catalyst to earn a 51% equity interest in the Tandarra Project (EL 4897), located 40km north of Bendigo in Victoria (Figure 1). The execution of the Heads of Agreement formalised the transaction between Navarre and Catalyst that was announced to the ASX on 31 March 2014.

The transaction will result in a consolidation of two of the most prospective greenfields gold projects in Victoria (Tandarra and Four Eagles Projects) and means that the entire 60km strike length of the Bendigo North Goldfield will be under single management.

Navarre will also transfer to Catalyst its interests in two gold projects owned by Castlemaine Goldfields Limited (a subsidiary of LionGold Corp) (Castlemaine), which are subject to farm-in and joint venture arrangements between Navarre and Castlemaine. Navarre had earned a 51% interest in the Sebastian Project (EL 4536 and EL 4974) and was in the process of earning a 51% interest in the Raydarra Project (EL 5266). Navarre will maintain exploration upside by way of a 1% net smelter royalty on Catalyst's entitlement to proceeds from future production from the Sebastian and Raydarra Projects.

Key terms of the Heads of Agreement

In order to earn a 51% equity interest in Tandarra (EL 4897), Catalyst must spend \$3 million on exploration during a four-year period, commencing on satisfaction of a condition precedent whereby Catalyst undertakes to assume a proportionate share of Navarre's existing royalty obligations in respect of Tandarra. Catalyst's expenditure must be sufficient to maintain the tenement in good standing and be not less than \$200,000pa and not less than \$800,000 within two years. Catalyst must also generate a mineralisation report sufficient for the requirements of the Mineral Resources (Sustainable Development) Act 1990 (Vic) by 14 November 2015.

Catalyst will also pay Navarre \$50,000 in cash and issue to Navarre 250,000 fully paid ordinary shares in Catalyst, with a further 250,000 Catalyst shares to be issued 12 months' later.

Castlemaine has signed a Deed of Assignment and Assumption to enable Navarre to assign all of its rights and obligations relating to the Castlemaine tenements under farm-in and joint venture arrangements to Catalyst.

Catalyst Exploration Activities

During the quarter, large volumes of exploration data held by Navarre for the Tandarra, Sebastian and Raydarra projects were transferred to Catalyst for a technical review. The review will form the basis of upcoming drilling activities on the North Bendigo tenements which is expected to commence in the December quarter.

2. ACTIVITIES PLANNED FOR THE SEPTEMBER QUARTER

Eclipse:

- Receive and interpret remaining assays.
- Plan deeper and southern extension drilling at IP Target 1.
- Plan drilling of first holes for IP Targets 2 and 3.

Lexington:

- Initiate ground geophysical surveys
- Plan first drilling of prospect.

3. CORPORATE

Share Placement and Share Purchase Plan

During the quarter, Navarre announced that its major shareholder, and the owner of Victoria's largest gold mines at Fosterville and Stawell, Crocodile Gold Corp., had acquired an additional 4,615,384 shares in Navarre at the issue price of 6.5 cents per share through a Share Placement (Placement) to raise \$300,000 (before costs).

Navarre also offered existing shareholders the opportunity to participate in a Share Purchase Plan (SPP). The SPP was priced at 6.5 cents per fully paid ordinary share.

The SPP closed on 6 June 2014. Navarre issued 8.3 million new shares through the SPP and raised \$544,000 before costs.

Proceeds of the SPP and Placement will be applied to advancing exploration on the Company's 100%-owned Eclipse copper-gold prospect and the broader Western Victoria Copper Project.

The cash balance as at 30 June 2014 was \$1.2 million (\$0.7 million at 31 March 2014).

4. COMPANY MINERAL TENEMENT PORTFOLIO

The mineral tenement holding of the Navarre Minerals Limited Group (including Navarre's wholly-owned subsidiary Black Range Metals Pty Ltd) at 30 June 2014 is:

Name	Tenement	Tenure Type	Status	NML Group Interest
BENDIGO NORTH GOLD PROJECTS (north of Bendigo, Victoria)				
Tandarra	EL4897	Exploration Licence	Granted	100%*
Raydarra	EL5266	Exploration Licence	Granted	0% [#]
Sebastian 1	EL4536	Exploration Licence	Granted	51% [#]
Sebastian 2	EL4974	Exploration Licence	Granted	51% [#]
LANDSBOROUGH FAULT GOLD PROJECT (east of Stawell, Victoria)				
Kingston	EL5280	Exploration Licence	Granted	100%
Glendhu	EL5380	Exploration Licence	Granted	100%

STAWELL CORRIDOR GOLD PROJECT (south of Ararat, Victoria)				
Ararat	ELA5476	Exploration Licence	Pending	0%
Tatyoan	ELA5480	Exploration Licence	Pending	0%
WESTERN VICTORIA COPPER PROJECT (west of Stawell, Victoria)				
Black Range	EL4590	Exploration Licence	Granted	100%
Stavelly	EL5425	Exploration Licence	Granted	100%
Mitre	EL4973	Exploration Licence	Granted	100%
Cherrypool	EL5426	Exploration Licence	Granted	100%
Glenlyle	ELA5497	Exploration Licence	Pending	0%

* Refer to 1.2 in this report for details of agreed farm-out of this tenement to Catalyst Metals Ltd (transaction subject to final completion).

Navarre is entitled to earn up to a 75% interest under farm-in arrangements with Castlemaine Goldfields Ltd. Refer to 1.2 in this report for details of agreed disposal of these properties to Catalyst Metals Ltd (transaction subject to final completion).

The Company did not acquire or dispose of any mining tenements during the quarter.

The Company's beneficial interests in any farm-in or farm-out agreements in respect of any mining tenement interests did not change during the quarter, except as specifically stated elsewhere in this Report.

- ENDS -

About Navarre Minerals Limited:

Navarre Minerals Limited (ASX: NML) is an Australian-based resources company that is creating value from a portfolio of early to advanced stage copper and gold projects in western Victoria, Australia. Navarre's aim is to discover and develop large low-cost copper and gold production through its exploration successes.

The Company is targeting giant porphyry- copper and gold deposits. Its Eclipse prospect is one of four initial porphyry targets identified within the Western Victoria Copper Project. The Project captures multiple, largely untested targets in 130km of western Victoria's newly uncovered Miga Arc volcanics. The Miga Arc is similar in setting to the Andes in South America, host to the world's largest known collection of porphyry copper deposits. Grassroots exploration of the Company's extensive exploration permits is at an early stage and more than 50 new targets remain to be tested.

The high-grade North Bendigo Goldfield, Tandarra prospect in central Victoria is targeting the next generation of gold deposits under shallow cover 40kms north of the 22 million ounce Bendigo Goldfield. Under a farm-out agreement, Catalyst Metals Limited is earning a 51% equity interest in Tandarra by spending \$3 million over four years by advancing the project towards mineral resource status.

Navarre has a highly experienced leadership team with 120 combined years of exploration, mining and finance industry experience with a proven track-record of discovery and project development.

For further information, please visit www.navarre.com.au or contact:

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Competent Person Declaration

The information in this release that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Wesley Edgar, who is a Member of The Australasian Institute of Mining and Metallurgy and who is Exploration Manager of Navarre Minerals Limited. Mr Edgar has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration, and to the activity which he is undertaking, to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Edgar consents to the inclusion in the release of the matters based on his information in the form and context in which it appears.

Forward-Looking Statements

This announcement contains "forward-looking statements" within the meaning of securities laws of applicable jurisdictions. Forward-looking statements can generally be identified by the use of forward-looking words such as "may", "will", "expect", "intend", "plan", "estimate", "anticipate", "believe", "continue", "objectives", "outlook", "guidance" or other similar words, and include statements regarding certain plans, strategies and objectives of management and expected financial performance. These forward-looking statements involve known and unknown risks, uncertainties and other factors, many of which are outside the control of Navarre and any of its officers, employees, agents or associates. Actual results, performance or achievements may vary materially from any projections and forward-looking statements and the assumptions on which those statements are based. Exploration potential is conceptual in nature, there has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource. Readers are cautioned not to place undue reliance on forward-looking statements and Navarre assumes no obligation to update such information.

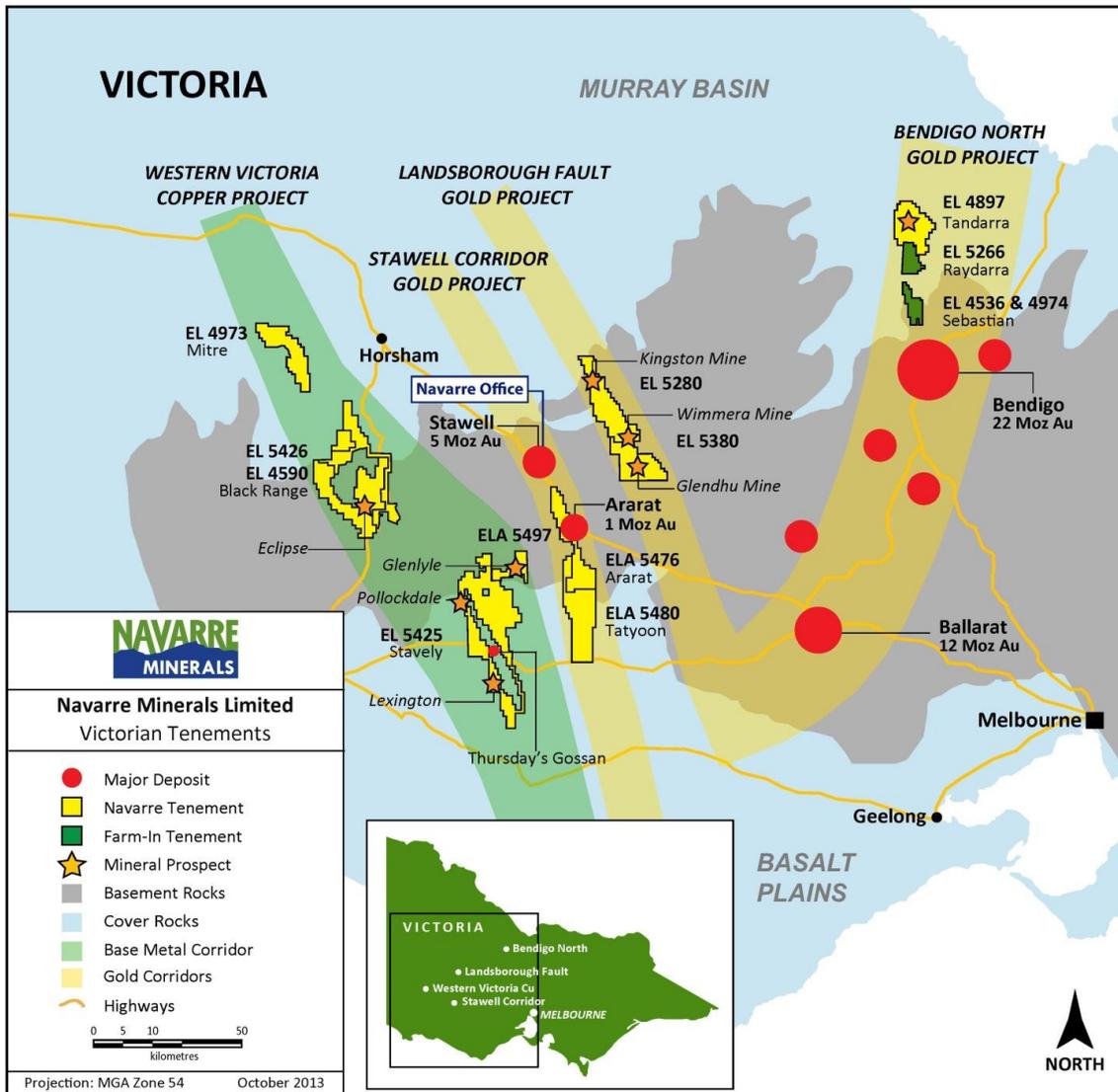


Figure 1: Location of Navarre’s Victorian mineral projects

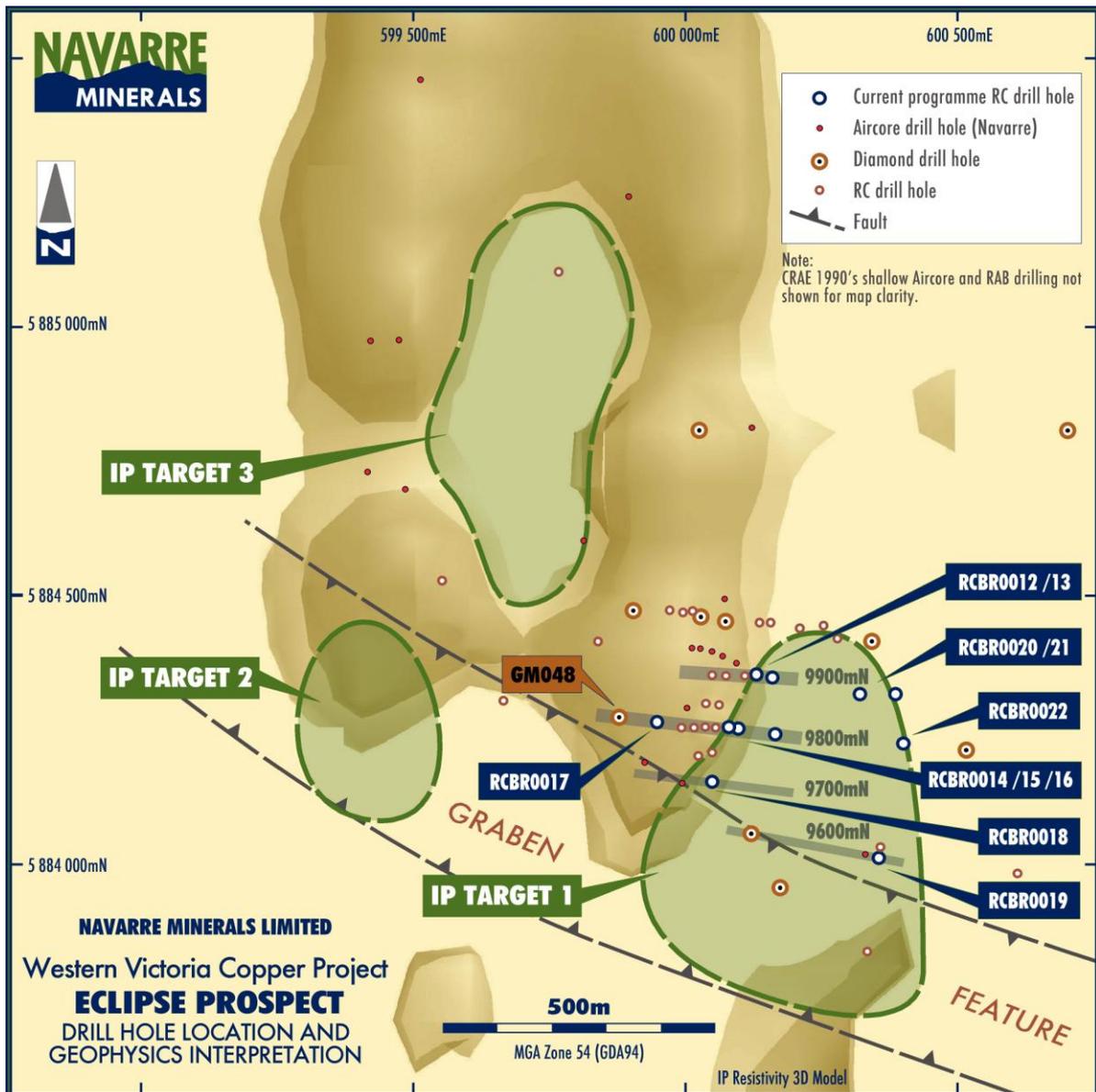


Figure 2: Plan view of the Eclipse prospect showing location of the three IP geophysics targets and location of the recent RC drill program.