

September 2016 Quarter

31 October 2016



Navarre Minerals Limited

ABN 66 125 140 105

ASX Code: NML

### Corporate Details

#### Issued capital:

147.5M ordinary shares

25.4M 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)

### Contact Details

Geoff McDermott

Managing Director

Navarre Minerals Limited

40 – 44 Wimmera Street

Stawell VIC 3380

Australia

PO Box 385

Stawell VIC 3380

Australia

Tel: +61 (0)3 5358 8625

Email: [info@navarre.com.au](mailto:info@navarre.com.au)

Website: [www.navarre.com.au](http://www.navarre.com.au)

## Quarterly Activities Report

Quarter ended 30 September 2016

### KEY POINTS:

#### Stawell Corridor Gold Project (100% NML)

- Twelve drill targets identified by Induced Polarisation (IP) geophysics survey at the Irvine gold prospect
- Targets are proximal to historic alluvial mine workings and may be part of the potential primary gold source
- Planning for 4,000m air-core drilling program largely complete
- Drilling to commence in the first half of November, weather permitting

#### Tandarra Gold Project (Catalyst Metals Limited earning 51%)

- Best results received from recent 4,000m RC Blade/hammer drilling program include\*:
  - ✓ 5m @ 15.6 g/t Au from 106m, including 1m @ 69.7g/t Au (RCT107)
  - ✓ 10m @ 6.1 g/t Au from 74m & 23m @ 2.3 g/t Au from 90m (RCT111)
  - ✓ 6m @ 5.2 g/t Au from 51m (RCT136)
  - ✓ 4m @ 11.3 g/t Au from 54m (RCT104)
  - ✓ 2m @ 14.3 g/t Au from 54m, 3m @ 3.8 g/t Au from 73m & 1m @ 7.7g/t Au from 88m (RCT132)

\* See Catalyst Metals ASX releases 27 October and 31 October 2016

### Corporate

- \$1.4M capital raising completed to fund exploration on the Ararat Exploration Licence (Stawell Corridor Gold Project)

# 1. EXPLORATION

## STAWELL CORRIDOR GOLD PROJECT (EL 5476 & EL 5480)

### Background

The Stawell Corridor Gold Project comprises two exploration licences, Tatyoon and Ararat, which includes the historic Ararat Goldfield. It extends between 10 and 70 kilometres south-east of the Stawell Gold Mine which is owned by Navarre’s largest shareholder Newmarket Gold Inc. (Figure 1).

Approximately 6 million ounces of historic and modern gold production has occurred from Ararat and Stawell.

The largest gold mine along the Stawell Corridor is the Magdala Gold Mine, which is producing gold from a deposit that has been mined to depths in excess of 1,600 metres below surface. Modern gold mining at Stawell has been continuous since 1982 with the Magdala gold deposit contributing more than 4 million ounces of the total 5 million ounces of gold produced to date from the Stawell Goldfield.

The Irvine prospect is located 15 kilometres south of Stawell’s Magdala Gold Mine. The prospect occupies the northern end of the Ararat Goldfield, which is estimated to have produced approximately one million ounces of gold mainly from alluvial and deep lead production during the period 1854 to 1925.

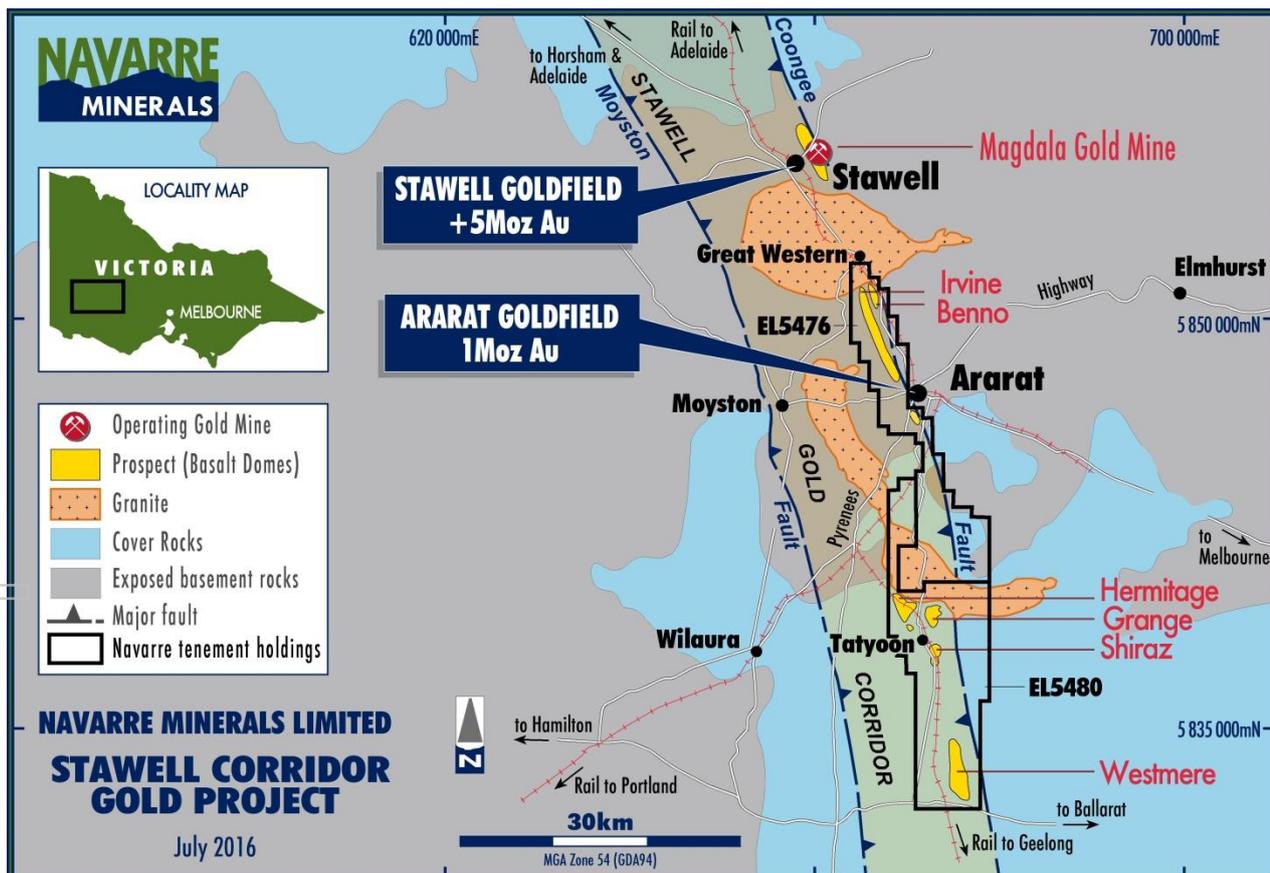


Figure 1: Stawell Corridor Gold Project location map

## Ararat (EL 5476)

### Irvine gold prospect

Navarre is preparing to drill test the potential for the Irvine prospect to be an analogue of the multi-million ounce Magdala gold deposit located on the opposite side of the Stawell Granite in similar rocks, 15 kilometres to the north-west (Figure 1).

During the quarter, the Company completed an Induced Polarisation (IP) geophysical survey comprising 75 line kilometres of gradient array IP (GAIP) covering the northern half (4km or 50%) of the interpreted Irvine basalt dome (Figure 2). This work generated twelve GAIP responses comprising two styles of targets consistent with the type of expected anomalies from a typical Stawell analogue:

- chargeability targets – potential sulphide bodies associated with gold mineralisation; and
- resistivity targets – silica alteration and quartz veining, also potentially associated with gold mineralisation.

With the exception of Target 5, these targets have never been drill tested. In 1994, drill hole DD94AA254 returned a highly encouraging intercept of 0.5m @ 7.4g/t gold (see NML ASX release dated 29 April 2016) into the area now referred to as Target 5 (see Figure 2). DD94AA254 is the only drill hole to effectively test the flanks of the Irvine basalt dome and this target remains open in all directions.

These targets are located near the margins of the Irvine basalt dome and are also proximal to the historical alluvial gold workings. The Company believes these targets may form part of the potential source to the Ararat Goldfields' alluvial gold production.

To refine the geometry and depth position of the drill targets, the Company also acquired eight lines for 13 line kilometres of dipole-dipole IP across many of the GAIP anomalies. The processing of this information is underway.

The Company is preparing to drill test the anomalies with a 4,000 metre air-core drilling program due to commence in November 2016, weather permitting. It is anticipated that peak gold results from the air-core drilling will be followed up with a diamond drill program in early 2017.

Both the IP geophysics program and the proposed drill program form part of the work covered by Navarre's TARGET co-funding agreement with the Victorian Government. Victorian Government TARGET grant funding, which was awarded to the Company during the June quarter 2016, will contribute approximately 50% towards the total cost of an expected \$1.2 million exploration program at the Irvine gold prospect. The program comprises geophysics, aircore and diamond drilling. Navarre has signed a Funding Agreement with the Victorian Government that includes milestones that will trigger the staged release of funds to Navarre.

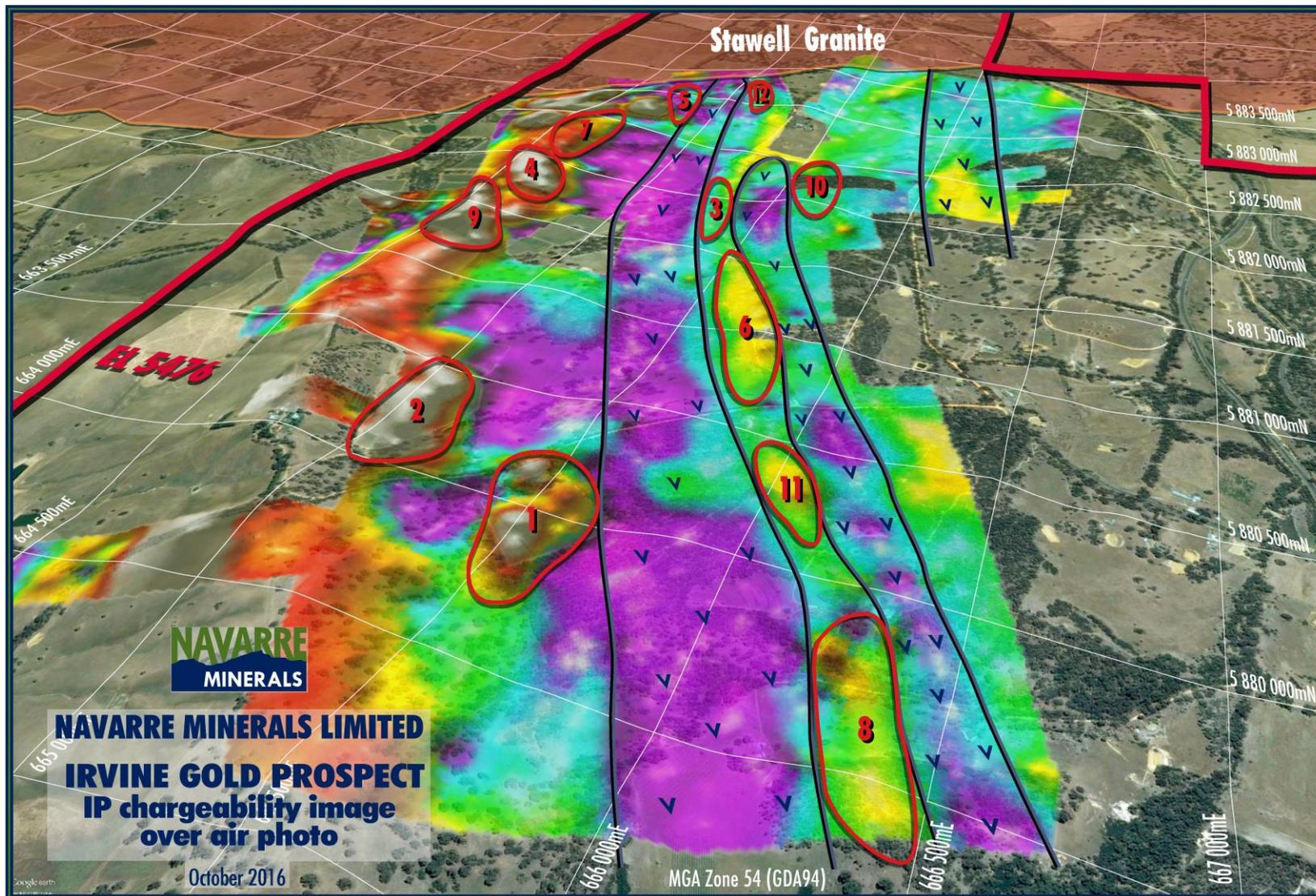


Figure 2: Perspective view of Irvine gold prospect IP chargeability image draped over an aerial photograph. Prioritised resistivity and chargeability IP targets shown in red and interpreted basalt structures denoted by 'v' symbol.

For personal use only

**Tatyoan (EL 5480)**

No work was undertaken during the quarter.

**TANDARRA GOLD PROJECT (EL 4897) (Navarre free carried, Catalyst Metals Ltd earning 51%)**

The Tandarra Gold Project is a gold discovery under shallow cover, 40km north of the 22 million ounce Bendigo Goldfield (Figure 5). This advanced exploration project is a Bendigo analogue with confirmed high-grades of gold associated with several quartz reef structures. 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 four years to September 2018.

During the quarter Catalyst released final assays from its April to May 2016 RC Blade drill program (39 drill holes for 4,000m of drilling) across the Tomorrow and Macnaughtan prospects. Six of the 39 holes were drilled into the Macnaughtan prospect producing a maximum grade of 0.75 g/t of gold. The remaining holes targeted the Tomorrow prospect with all drill traverses generating at least one significant gold intersection with some holes containing multiple gold zones.

Subsequent to the quarter, Catalyst announced that it had sought to gain a better understanding of the variability of the gold grades at the Tandarra Gold Project by re-assaying anomalous RC sample residues remaining from the initial assay program using 25 gram sub-samples subjected to an aqua regia leach and ICPMS assay. Any anomalous samples were then subjected to a nominal 2 kilogram bulk cyanide leach. A total of 510 samples were re-assayed in this manner and Catalyst considers that these assay results showed good correlation between assays from both the small and large samples. Catalyst believes that the results of the re-assaying support the view that Tandarra gold mineralisation has a lower nugget variability when compared to Bendigo mineralisation.

Assays from the RC drilling on the Tomorrow prospect have been re-stated by Catalyst using the bulk leach data and have changed slightly from previous announcements. The location of holes is shown on Figure 3 with some of the more significant assays listed below:

- **5m @ 15.6 g/t Au** from 106m, including **1m @ 69.7 g/t Au** (RCT107)
- **10m @ 6.1 g/t Au** from 74m & **23m @ 2.3 g/t** from 90m (RCT111)
- **6m @ 5.2 g/t Au** from 51m (RCT136)
- **4m @ 11.3 g/t Au** from 54m (RCT104)
- **2m @ 14.3 g/t Au** from 54m, **3m @ 3.8 g/t Au** from 73m and **1m @ 7.7 g/t Au** from 88m (RCT132)
- **2m @ 14.3 g/t Au** from 79m (RCT115)
- **7m @ 2.8 g/t Au** from 73m (RCT119)
- **1m @ 30.2 g/t Au** from 82m (RCT126)

*\* Refer to Catalyst Metals Ltd ASX releases of 20 July, 27 October and 31 October 2016 for full details about these results.*

The re-stated bulk leach assays have been added to Catalyst’s longitudinal projection in Figure 4 which shows the interpreted weak southerly plunge of the mineralised zones.

Interpretation and modelling of the gold mineralisation is being progressed to inform planning and design of follow-up exploration activities which are expected to commence in December following grain harvest.

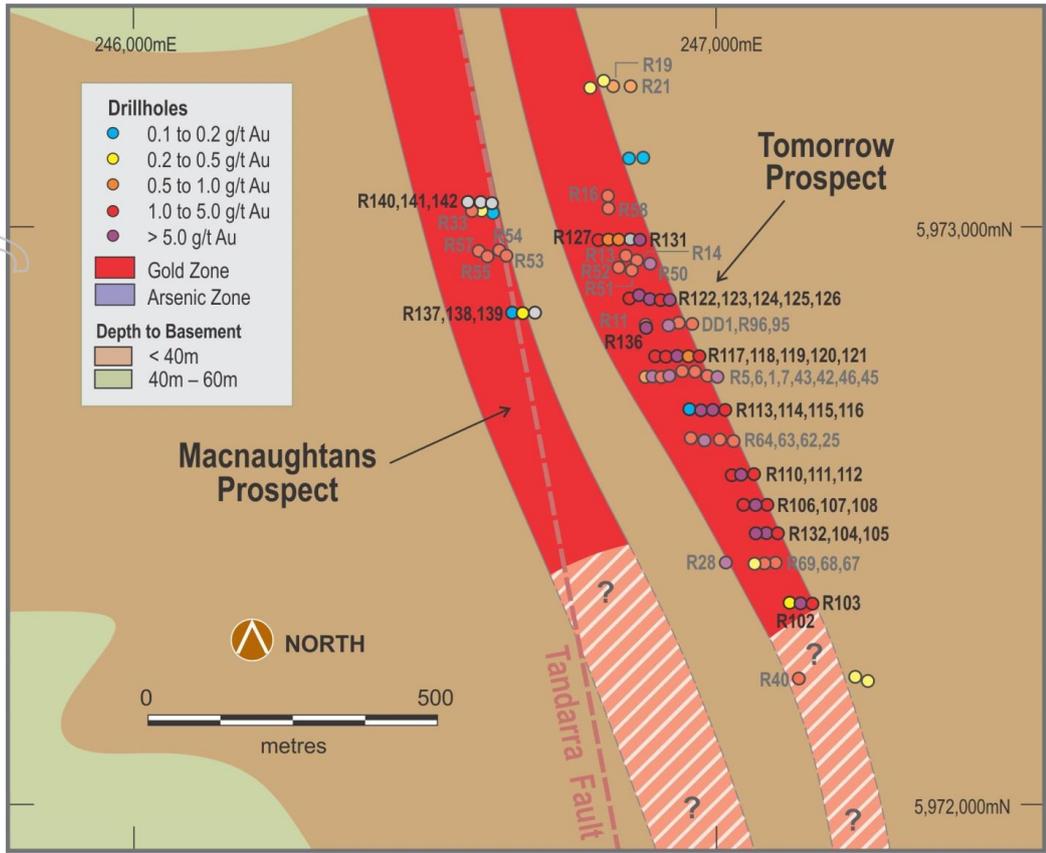


Figure 3: Plan view of the Tomorrow and Macnaughtan gold prospects showing mineralised trends and location of recent RC Blade drill holes in bold type (diagram courtesy of Catalyst Metals Limited, Quarterly Activities Report, September Quarter 2016).

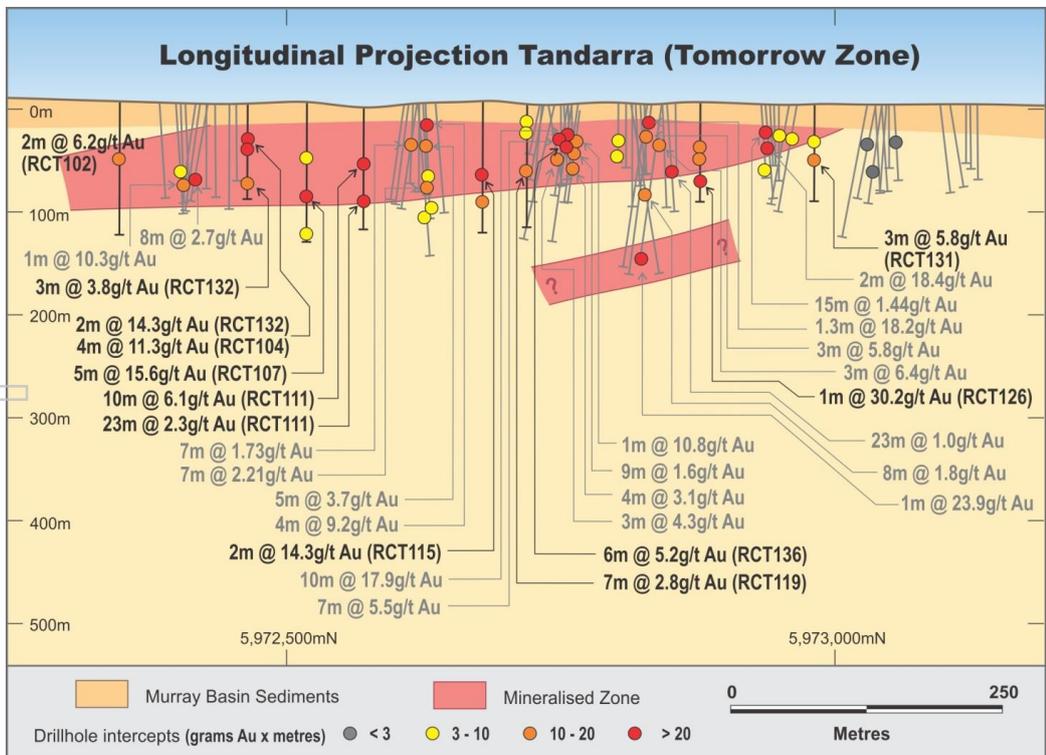


Figure 4: Longitudinal Projection of the Tomorrow gold prospect showing location of new 2016 RC Blade drill intercepts in bold type (diagram courtesy of Catalyst Metals Limited, Quarterly Activities Report, September Quarter 2016).

## WESTERN VICTORIA COPPER PROJECT (ELs 4590, 5425, 5426 & 5497)

There was no work undertaken on these tenements during the quarter.

## 2. ACTIVITIES PLANNED FOR THE DECEMBER QUARTER

Planned exploration for the Stawell Corridor Gold Project forms part of the eligible activities of the TARGET co-funding arrangements with the Victorian Government.

### Stawell Corridor Gold Project:

- Complete analysis and modelling of targets generated from IP geophysics
- Finalise drill planning and approvals
- Execute maiden drill program at Irvine

### Tandarra Gold Project (Navarre free carried; project managed by Catalyst Metals Limited):

- Complete interpretation and modelling of Tomorrow and Macnaughtan prospects
- Plan follow-up drill program

## 3. CORPORATE

### Capital raising

In September, the Company completed a \$1.4 million capital raising, which comprised a placement to professional and sophisticated investors (“**Placement**”) and a fully underwritten 2-for-5 pro rata entitlement offer to existing shareholders (“**Entitlement Offer**”), in each case at an issue price of \$0.029 per new share.

The Company issued 9,830,000 new shares under the Placement and 39,338,779 new shares under the Entitlement Offer (including the shortfall shares issued to nominees of the underwriter, Patersons Securities Limited). The Company also issued a total of 24,584,402 free attaching unlisted options to participants in the Placement and the Entitlement Offer, on the basis of one option for every two new shares subscribed for and issued. The options are exercisable at \$0.05 each on or before 31 March 2018.

Total proceeds of the capital raising were approximately \$1.4 million before costs, comprising approximately \$285,000 from the Placement and \$1.14 million from the Entitlement Offer. The funds raised will underpin the next phase of exploration, including a maiden drilling program, at the Company’s Irvine and Benno gold prospects and allow the Company to match the grant of co-funding received from the Victorian Government under the TARGET Minerals Initiative.

### Cash position

The Company’s cash balance at 30 September 2016 was approximately \$1.4 million (\$0.3 million at 30 June 2016).

### 4. MINERAL TENEMENT PORTFOLIO



Figure 5: Location of Navarre’s Victorian mineral projects.

The mineral tenement holding of the Navarre Minerals Limited Group as at 30 September 2016 was:

Name	Tenement	Tenure Type	Status	NML Group Interest
<b>TANDARRA GOLD PROJECTS (north of Bendigo, Victoria)</b>				
Tandarra	EL 4897	Exploration Licence	Granted	100%*
<b>STAWELL CORRIDOR GOLD PROJECT (south of Stawell, Victoria)</b>				
Ararat	EL 5476	Exploration Licence	Granted	100%
Tatyoon	EL 5480	Exploration Licence	Granted	100%
<b>WESTERN VICTORIA COPPER PROJECT (west of Stawell, Victoria)</b>				
Black Range	EL 4590	Exploration Licence	Granted	100%
Stavely	EL 5425	Exploration Licence	Granted	100%
Cherrypool	EL 5426	Exploration Licence	Granted	100%
Glenlyle	EL 5497	Exploration Licence	Granted	100%

\* Catalyst Metals Limited has the right to earn a 51% interest in Tandarra by expenditure of \$3 million over a four year period to September 2018.

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

- ENDS -

For further information, please visit [www.navarre.com.au](http://www.navarre.com.au) or contact:

Geoff McDermott  
Managing Director  
E: [info@navarre.com.au](mailto:info@navarre.com.au)  
T: +61 (0)3 5358 8625

#### **Competent Person Declaration**

*The information in this release that relates to the Company's Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Geoffrey McDermott, who is a Member of The Australian Institute of Geoscientists and who is Managing Director of Navarre Minerals Limited. Mr McDermott 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 McDermott 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.*

#### **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 gold and copper projects in Victoria, Australia.*

*Navarre is searching for gold deposits in the extension of a corridor of rocks that host the Stawell (~5 million ounce) and Ararat (~1 million ounce) goldfields. The discovery of outcropping gold at the Irvine prospect is a prime focus for the Company in 2016. This is located 15km south of the operating Stawell Gold Mine which is owned by Navarre's largest shareholder and leading Victorian gold producer, Newmarket Gold Inc.*

*At the high-grade Tandarra Gold Project exploration work 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.*

*The Company is also targeting large VMS, porphyry-copper and gold deposits. The Western Victoria Copper Project captures multiple, largely untested targets in 130km of western Victoria's Stavelly Arc volcanics.*