ASX Release: 30 April 2012

Quarterly Activities Report - for the period ended 31 March 2012

ASX CODE: NVG

Shares on Issue
92.835 million

Unlisted Options
59.690 million

Share Price Range
A$0.092–0.035

Market Capitalisation
A$6.0m (at A$0.065)

DIRECTORS
Nick Mather (Chairman)
Mark Dugmore (MD & CEO)
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HIGHLIGHTS

- Encouraging Au and Carlin style indicator geochemistry intersected in UTC11-01 drill hole at Utah Clipper.
- Au mineralisation intersected at Whitehorse Flats.
- New projects areas acquired in New Mexico.
- Soil geochemical anomaly located at the Candlow project.

REVIEW OF ACTIVITIES

USA, NEVADA

Figure 1: Navaho Gold Limited’s Nevada, USA project locations
Set out below is a brief summary of exploration work undertaken on projects during the quarter.

Utah Clipper Project

*Navaho Gold can earn 70% from Columbus Gold Corp.*

- Drill hole UTC11-01 (Figure 2), commenced in November 2011 to test a deep geophysical target below surface geochemical anomalism, had reached a depth of 1142.7m (3749’) in Lower Plate Roberts Mountain Formation by quarter end.
- The hole intersected a thrust bound silver of Lower Plate, possible Wenban Limestone, from 763.5m to 889.4m and encountered the Lower Plate sequence below the Roberts Mountain Thrust at 1120.7m. See Figure 3.
- A strongly fractured, altered pyrite-rich dyke within a thrust zone in Upper Plate rocks, returned 5.9m @ 0.12g/t Au from 1,077.5m (using a 0.1g/t cut off), with anomalous As, Sb, Se and W geochemistry. This result is considered significant in that Carlin-style mineralisation is often associated with dykes of this type.
- Elevated to anomalous silver mineralisation was intersected over much of the hole with 6 zones of significant mineralisation (at a 10g/t Ag cut-off):
  - 13.7m @19.9g/t Ag from surface (excludes 1.8m of core loss),
  - 7.2m @27.2g/t Ag from 37.9m (excludes 1.1m of core loss),
  - 15.1m @ 17.4g/t from 102.0m,
  - 7.8m @ 14.7g/t Ag from 226.9m,
  - 7.6m @ 14.5g/t Ag from 697.4m,
  - 2.7, @ 15.9g/t Ag from 960.1m, and
  - 2.4m @65g/t Ag from 1115.7m.
- The silver results, coupled with historic drilling results, indicate a potential zone of shallow silver mineralisation extending over a strike length of 2.8km within the JV area (Figure 2). Assays results for the bottom of the hole are pending.

*Figure 2: Utah Clipper claim block adjacent Barrick’s Gold Acres/Pipeline operations*
Figure 3: Utah Clipper Project – Strip log of UTC11-01
Whitehorse Flats Project

Navaho Gold can earn 70% from Columbus Gold Corp.

- Assay results have now been received from 11 reverse circulation drill holes completed during November 2011 with 3 holes intersecting low grade Au mineralisation (using a 0.1g/t Au cut-off):
  - WH11-04 intersected 13.7m @ 0.43g/t Au from 85.4, including a zone of 9.1m @ 0.56 g/t Au with cut-off 0.3g/t Au,
  - WH11-01 intersected 6.1m @ 0.15g/t Au from 62.5m, and
  - WH11-011 intersected 7.6m @ 0.34g/t Au from 1.5m.

- Results from this drilling used in conjunction with historic drilling by Energy Reserves Group in 1981 (SH9, 6.1m @ 0.49g/t Au from 79.3m and SH11, 61m @ 0.64g/t from 39.6m) indicates a potential 1.7km x 500m, northeast trending, zone of shallow low grade Au mineralisation (Figure 4).

Figure 4: Whitehorse Flats - Navaho Gold’s and historic drill hole locations with significant gold intersections.
Stevens Basin Project

Navaho Gold can earn 70% from Columbus Gold Corp.

- Assay results received from the 8 reverse circulation drill holes completed in October 2011 (taking the total drilling at Stevens Basin to 22 holes for 3692m) did not extend the low grade mineralisation intersected in SB11-09, 15.2m @ 0.18g/t (see Figure 5).
- Six (6) of the 8 holes drilled (SB11-15, SB11-17, SB11-19, SB11-20, SB11-21 and SB11-22) contain anomalous Au (>0.01ppm), As (>50ppm), Sb (>20ppm) and Tl (>0.5ppm).
- A combination of surface geochemistry coupled with the results of the drilling has defined an area of approximately 1.2 sq km of anomalous Carlin style indicator geochemistry which broadly coincides with a north west structure corridor identified in geophysical data.

Figure 5: Stevens Basin Project – Geology, drill hole locations and area of anomalous geochemistry
TAZ Project

Navaho Gold can earn 75% from Miranda Gold Corp.

- Diamond drill hole TAZ11-01 was stopped in November 2011 at 731.5m (2,400’). See Figure 6. The hole was terminated in a late (post-mineralisation) mafic dyke which has potentially stoped out the prospective sequence at target depth.
- Final assays for TAZ11-01 have been received but did not extend or repeat BHP’s 1990’s intersection of 21.3m grading 1.44 g/t Au from 65m. The best intersection in TAZ11-01 was 6.1m @ 0.5g/t Au from 48.8m and suggests that the mineralisation intersected by BHP pinches out at depth.
- The As, S, Sb, Tl and W geochemistry (indicative of Carlin style mineralisation) was found to be increasing towards the base of the hole just above the intersection with the mafic dyke and may indicate proximity to gold mineralisation either below or lateral to the dyke.
Figure 6: TAZ Project – Drill hole TAZ11-01 cross section showing Au and As geochemistry
**Mopung Hills Project**

*Navaho Gold 100%*

- A regional stream sediment survey consisting of 64 samples was carried around the Mopung Hills claims. Assays results highlighted the areas with known anomalous rock chip sampling and historic drilling. An area on the north east edge of the claims was highlighted with elevated to anomalous Au, As, Cu, Mo, Se and Zn geochemistry and will be followed with field reconnaissance.

- Samples around the southern western corner of the project did not returned anomalous stream sediment geochemistry down grading this area’s potential for mineralisation.

**USA, NEW MEXICO**

Navaho gold has entered into an agreement with Genesis Gold Corp (Genesis), a private corporation based in Utah, to form an alliance to explore for Carlin-style gold deposits in New Mexico. Details of the alliance are outlined in the press release dated 23 February 2012 and the alliance area is shown in Figure 8 along with the main project area.

- Six (6) main prospect areas have been secured under claim tenure to data.

- Initial first pass rock chip sampling has been completed over the 6 prospects with each returning highly anomalous values for gold, silver, arsenic and antimony, all indicative of potential Carlin-style mineralised systems.
Figure 7: Navaho Gold Limited’s Queensland, Australia project locations

Candlow Project
EPMs 18348, 828 and 18288 - Navaho Gold 100%
- The 2 southern tenements, EPMs 18287 and 18288, were granted.
- Geochemical results from a regional soil grid have outlined a clustered As (>30ppm) anomaly with a broad Sb and Tl halo over a zone of the strong magnetite depletion zone at the Red Dam prospect, Figure 8. Soil Au values were patchy and mostly low.
Texas Project
EPMs 18191, 18192, 18193, 18194, 18195, 18196, 18382;
EPMAs 18379, 18718, 18966, 18967, 18968 - Navaho Gold 100%

- The focus of the Texas Project is Carlin-like gold-(silver) mineralisation hosted within Palaeozoic sedimentary rocks.
- Three (3) EPMs 18191, 18192 and 18194 were surrendered after a field reconnaissance and geological review did not identify areas with the potential for Carlin-like mineralisation.
- Two rock chip traverses were sampled through road cuttings crossing the northern part of the Catfish Creek prospect (EPM 18195) and assays returned 4 samples, over a 40m width, containing elevated to anomalous Au and As (up to 0.194ppm Au and 700ppm As) in hornfelsed carbonaceous mudstones with quartz veining.
- The rock chips of a quartz vein and mullock from shallow historic mine workings on the Nabwood prospect (EPM 18196) returned 8.45ppm Au and 6.11ppm Au with 560ppm As and 590ppm As, respectively.
- In fill stream sediment sampling and rock chip sampling over the southern end of the Nabwood prospect did not return anomalous results.
Bowen Project
EPMs 18297, 18336, 18344, 18380, 18381, 18953, 18934, 18954, 18955, 18956, 18957, 19019;
EPMAs 18334, 18337, 18338, 18341, 18342, 18343, 19187

- The focus of the Bowen Project is Carlin-like gold-(silver) mineralisation hosted within Palaeozoic sedimentary rocks.
- No field was carried out during the quarter due to access issues stemming from unseasonally heavy rains.

ACTIVITIES PLANNED FOR JUNE 2012 QUARTER

Nevada, USA

Navaho is planning the following activities on its Nevada projects during the June quarter:
- Preparations for further drilling a Utah Clipper and at Carlin East.
- Ground magnetics and CSAMT surveys at Whitehorse Flats.
- Follow up field reconnaissance and further geochemical rock chip sampling at Mopung Hills.
- Continued rocks chip sampling, mapping and preparations for drilling on the New Mexico projects.

Queensland, Australia

Navaho is planning the following activities on its Queensland projects during the June quarter:
- Identification of targets for potential shallow drilling program over the Red Dam soil geochemical anomaly in Candlow Project.
- Stream sediment and rock chip geochemical surveys over the recently granted Bowen and Candlow project EPMs.
- Further rationalisation of the large tenement holding in the Bowen project.
ABOUT NAVAHO GOLD

Carlin Style Mineralisation

Navaho Gold is clearly focused on the exploration for and ultimate development of “Carlin Style” gold mineralisation. “Carlin Style” gold mineralisation was recognised near the town of Carlin in Nevada USA in the 1960’s. Carlin orebodies are typically both large and high-grade, ranging up to 40Moz gold (eg. Barrick Gold Corporation’s Post-Betze deposit)\(^1\). Nevada has 20 major mining operations producing in excess of 100,000 oz gold per annum\(^2\).

Projects in Nevada (one of the most gold-rich provinces in the World) and Queensland

Navaho Gold has various agreements to earn majority interests in, or acquire, at Navaho Gold’s election, seven projects in Nevada, four of which are located on or adjacent to the prolific gold-producing Carlin and Battle Mountain Trends, and holds exploration licences over three potential new “Carlin” style regions in Queensland.

From the period 1981 to 2009, in excess of 156Moz gold has been produced in Nevada, making it one of the most strongly endowed gold provinces in the World\(^2\). The Carlin Trend alone has produced more gold than any other mining district in the USA\(^3\).

Importantly, Navaho Gold’s Carlin East project in Nevada lies approximately 5km east of Barrick Gold Corporation’s 40Moz gold Post-Betze deposit, and the Utah Clipper project in Nevada is located immediately along trend from Barrick’s Cortez and Pipeline-Gold Acres deposits which contain more than 30Moz gold\(^3\).

Innovative Approach to Exploration

Navaho Gold plans to apply refined geophysical techniques, particularly gravity and magnetics surveying, detailed geochemistry, and drilling to intersect the favourable “lower plate” host rock targets on its projects in Nevada.

Accomplished Management

Navaho Gold is headed by Mark Dugmore (ex BHP global base metals exploration manager). Each member of the Board and Management of Navaho Gold are highly experienced resource industry professionals with a demonstrated track record in the discovery, project development and financing of precious and base metal projects.

Competent Persons Statement

The information herein that relates to Exploration Results is based on information compiled by Mark DugmoreB.App.Sc, MSc, who is a Member of The Australian Institute of Mining and Metallurgy. Mr Dugmore is employed by Navaho Gold Ltd.

Mr Dugmore has more than five years experience which is relevant to the style of mineralisation and type of deposit being reported and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the ‘Australasian Code for Reporting of Exploration Results, Minerals Resources and Ore Reserves’ (the JORC Code). This public report is issued with the prior written consent of the Competent Person(s) as to the form and context in which it appears.

References:

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