

ASX Announcement

31 March 2014

Navarre Minerals Limited

ABN 66 125 140 105

ASX Code: NML

Corporate Details

Issued capital:

59.6M 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

Navarre Minerals Limited

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Navarre agrees terms for farm-out of North Bendigo Goldfield to Catalyst Metals

Highlights

- Terms agreed between Navarre Minerals Limited and Catalyst Metals Limited for Catalyst to earn an interest in Navarre's Tandarra Gold Project, north of Bendigo.
- Transaction enables Navarre to focus on its emerging Miga Arc porphyry copper-gold properties in western Victoria while continuing exposure to north Bendigo exploration upside.
- Tandarra Gold Project adjoins the southern edge of Catalyst's Four Eagles Gold Project. Both properties contain high-grade gold mineralisation at shallow depths.
- Navarre will also transfer to Catalyst its interests in the Raydarra and Sebastian Projects, currently under farm-in and joint venture arrangements with Castlemaine Goldfields.

Navarre Minerals Limited (ASX: NML) (**Navarre**) is pleased to announce it has signed a binding term sheet with fellow Victorian explorer Catalyst Metals Limited (ASX: CYL) (**Catalyst**) to enable Catalyst to earn a 51% equity interest in Navarre's Tandarra Gold Project (EL 4897), located 40 kilometres north of Bendigo in Victoria.

The transaction will result in a consolidation of two of the most prospective greenfields gold projects in Victoria and allow for the entire 60-kilometre strike length of the North Bendigo Goldfield to be under single management for the first time (Figure 1). The rationalisation will enable synergy benefits and shared technology in both exploration and development stages.

The agreement allows Navarre to focus on its flagship Miga Arc copper porphyry properties in western Victoria.

Navarre's Managing Director Geoff McDermott said, "We are delighted to be advancing, in combination, the prospective north Bendigo interests of two of Victoria's leading exploration companies".

"Navarre shareholders will continue to benefit from exposure to ongoing gold exploration at Tandarra and the wider north Bendigo region under Catalyst's stewardship while we focus our attention on our Miga Arc copper-gold properties in western Victoria."

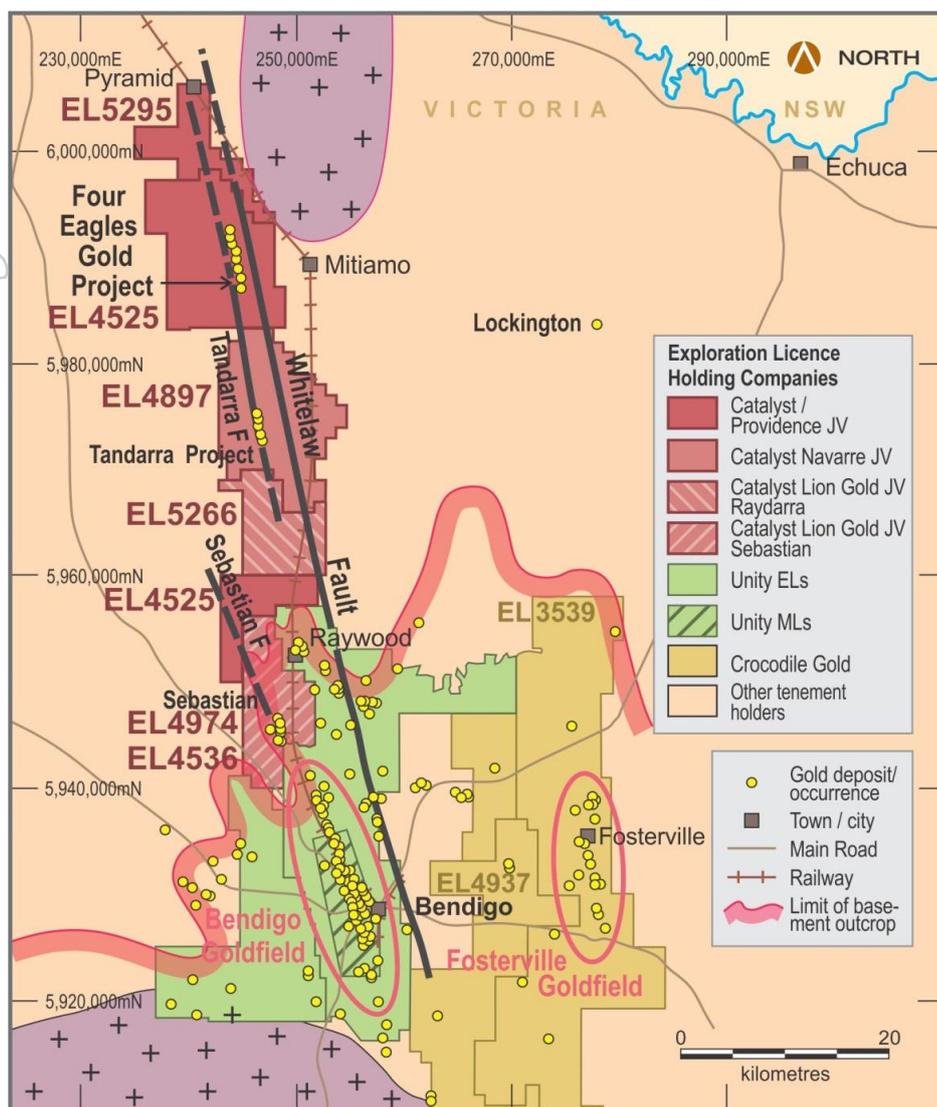


Figure 1: Map showing Catalyst-managed tenements in the North Bendigo Goldfield (source: Catalyst Metals Limited, 2014)

As part of the transaction, Navarre will 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 has earned a 51% interest in the Sebastian Project (EL 4536 and EL 4974) and is 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. Navarre shareholders will also have exposure to Catalyst’s Four Eagles Gold Project through Catalyst shares.

The parties have agreed to expeditiously finalise and execute a binding Heads of Agreement incorporating the terms of the binding Term Sheet.

Agreement terms

In order to earn its 51% equity interest in the Tandarra Gold Project, Catalyst will be required to spend \$3 million on exploration during a four-year period commencing on the date at which certain conditions precedent are satisfied (**Satisfaction Date**).

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The expenditure must be sufficient to maintain the tenement in good standing and be not less than \$200,000 per annum. Within two years of the Satisfaction Date, Catalyst must spend at least \$800,000 on the tenement and also generate a mineralisation report sufficient for the requirements of the Sustainable Development Act 1990 (Vic) before 14 November 2015.

Catalyst will also make the following payments to Navarre:

- On signing of the Term Sheet, \$1,000;
- On the Satisfaction Date, \$50,000 and 250,000 fully paid ordinary shares in Catalyst and
- On the first anniversary of the Satisfaction Date, 250,000 fully paid ordinary shares in Catalyst.

Castlemaine has signed a Deed of Assignment and Assumption to enable Navarre to assign to Catalyst its interests in the Castlemaine tenements under the existing farm-in and joint venture arrangements. Navarre has already earned 51% equity in the Sebastian Project (EL 4536 and EL 4974) and a joint venture with Castlemaine has been established. Navarre has the right to earn a further 24% in these tenements by the expenditure of \$300,000 before 20 February 2017.

On the Raydarra Project (EL 5266), Navarre has satisfied the minimum expenditure commitment of \$100,000 but is required to spend a further \$200,000 before 20 February 2015 to earn its 51% equity. Navarre also has the right to earn a further 24% by the expenditure of a further \$600,000 before 20 February 2017.

– ENDS –

For further information, please contact:

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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.