

29 March 2011

Mr. James Gerraty
Manager Listings, Melbourne
ASX Compliance Pty Ltd
Level 45
South Tower
525 Collins Street
Melbourne VIC 3000

By Email

Dear James

Navarre Minerals Limited (the “Company”) – Application for Admission to the Official List

Further to your letter dated 17 March 2011, I am pleased to provide a response to your Item 1.6 which sets out the Company’s compliance with the recommendations set out by the ASX Corporate Governance Council.

Principle 1 – Lay solid foundations for management and oversight

- **Recommendation 1.1:** Companies should establish the functions reserved to the board and those delegated to senior executives and disclose those functions.

Navarre has adopted a charter that sets out the principles for the operation of the Board and describes the powers, functions and responsibilities of the Board as described in Section 13.2 of the Prospectus.

- **Recommendation 1.2:** Companies should disclose the process for evaluating the performance of senior executives.

Through the Chairman, the Board will conduct an annual review of performance of the Managing Director. The first review will be held approximately 12 months after listing,

- **Recommendation 1.3:** Companies should provide the information indicated in the Guide to reporting on Principle 1.

Navarre has complied with this recommendation with relation to the Board and is developing these functions reserved for the executive.

Principle 2 - Structure the board to add value

- **Recommendation 2.1:** A majority of the board should be independent directors.

Navarre has complied with this recommendation. 3 of the 4 directors are considered independent.

- **Recommendation 2.2:** The chair should be an independent director.
Navarre has complied with this recommendation. Mr K Wilson is considered independent.

- **Recommendation 2.3:** The roles of chair and chief executive officer should not be exercised by the same individual.

Navarre has complied with this recommendation – Mr K Wilson in the Chairman and Mr G McDermott is Managing Director.

- **Recommendation 2.4:** The board should establish a nomination committee.

No separate nomination committee has been established as the Directors consider it appropriate, given the relatively small size of the Board and the Company, for the functions of a remuneration committee to be performed by the Board.

- **Recommendation 2.5:** Companies should disclose the process for evaluating the performance of the board, its committees and individual directors.

Navarre has complied with this recommendation

- **Recommendation 2.6:** Companies should provide the information indicated in the Guide to reporting on Principle 2.

Navarre intends to comply with this recommendation

Principle 3 - Promote ethical and responsible decision-making

- **Recommendation 3.1:** Companies should establish a code of conduct and disclose the code or a summary of the code.

Navarre has complied with this recommendation – Code of Conduct is on the Navarre Website

- **Recommendation 3.2:** Companies should establish a policy concerning diversity and disclose the policy or a summary of that policy. The policy should include requirements for the board to establish measurable objectives for achieving gender diversity for the board to assess annually both the objectives and progress in achieving them.

Navarre is developing this policy

- **Recommendation 3.3:** Companies should disclose in each annual report the measurable objectives for achieving gender diversity set by the board in accordance with the diversity policy and progress towards achieving them.

Navarre is developing mechanisms to ensure that it will comply with this recommendation

- **Recommendation 3.4:** Companies should disclose in each annual report the proportion of women employees in the whole organisation, women in senior executive positions and women on the board.

Navarre is developing mechanisms to ensure that it will comply with this recommendation

- **Recommendation 3.5:** Companies should provide the information indicated in the Guide to reporting on Principle 3.

Navarre will comply with this recommendation

Principle 4 - Safeguard integrity in financial reporting

Companies should have a structure to independently verify and safeguard the integrity of their financial reporting.

- **Recommendation 4.1:** The board should establish an audit committee.

Navarre has complied with this recommendation – An Audit Committee has been formally constituted

- **Recommendation 4.2:** The audit committee should be structured so that it:

- consists only of non-executive directors

Navarre has complied with this recommendation – Mr C Naylor and Mr J Dorward are members of the Audit Committee

- consists of a majority of independent directors

Navarre has complied with this recommendation - Mr C Naylor and Mr J Dorward are considered independent directors

- is chaired by an independent chair, who is not chair of the board

Navarre has complied with this recommendation Mr C Naylor is considered independent and is not chair of the Board

- has at least three members

Navarre has chosen to establish an audit committee which has only two members at the current time. Both members are financially literate with many years experience in the financial management of companies. Navarre plans to review this position on a regular basis and will add members to the audit committee as the Company's business grows in size and complexity.

- **Recommendation 4.3:** The audit committee should have a formal charter.

Navarre has complied with this recommendation – formal charter is on the Navarre Website

- **Recommendation 4.4:** Companies should provide the information indicated in the Guide to reporting on Principle 4.

Navarre has complied with this recommendation

Principle 5 - Make timely and balanced disclosure

Companies should promote timely and balanced disclosure of all material matters concerning the company.

- **Recommendation 5.1:** Companies should establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior executive level for that compliance and disclose those policies or a summary of those policies.

Navarre has complied with this recommendation

- **Recommendation 5.2:** Companies should provide the information indicated in the Guide to reporting on Principle 5.

Navarre has complied with this recommendation

Principle 6 - Respect the rights of shareholders

Companies should respect the rights of shareholders and facilitate the effective exercise of those rights.

- **Recommendation 6.1:** Companies should design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose their policy or a summary of that policy.

Navarre is developing this policy and will comply with this recommendation

- **Recommendation 6.2:** Companies should provide the information indicated in the Guide to reporting on Principle 6.

Navarre will comply with this recommendation

Principle 7- Recognise and manage risk

Companies should establish a sound system of risk oversight and management and internal control.

- **Recommendation 7.1:** Companies should establish policies for the oversight and management of material business risks and disclose a summary of those policies.

Navarre has complied with this recommendation

- **Recommendation 7.2:** The board should require management to design and implement the risk management and internal control system to manage the company's material business risks and report to it on whether those risks are being managed effectively. The board should disclose that management has reported to it as to the effectiveness of the company's management of its material business risks.

Navarre has complied with this recommendation

- **Recommendation 7.3:** The board should disclose whether it has received assurance from the chief executive officer (or equivalent) and the chief financial officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.

Navarre has complied with this recommendation

- **Recommendation 7.4:** Companies should provide the information indicated in the Guide to reporting on Principle 7.

Navarre has complied with this recommendation

Principle 8- Remunerate fairly and responsibly

Companies should ensure that the level and composition of remuneration is sufficient and reasonable and that its relationship to performance is clear.

- **Recommendation 8.1:** The board should establish a remuneration committee.

No separate remuneration committee has been established as the Directors consider it appropriate, given the relatively small size of the Board and the Company, for the functions of a remuneration committee to be performed by the Board.

- **Recommendation 8.2:** The remuneration committee should be structured so that it:
 - consists of a majority of independent directors
 - is chaired by an independent chair
 - has at least three members.

While Navarre has not established a separate remuneration committee, the full Board of the Company would be in compliance with Recommendation 8.2.

- **Recommendation 8.3:** Companies should clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives.

Navarre has complied with this recommendation

- **Recommendation 8.4:** Companies should provide the information indicated in the Guide to reporting on Principle 8.

Navarre has complied with this recommendation

Yours sincerely,

A handwritten signature in black ink, appearing to read 'G McDermott', with a long horizontal flourish extending to the right.

Geoff McDermott
Managing Director