ASX Announcement

1 October 2012

Navarre Minerals Limited
ABN 66 125 140 105
ASX Code: NML

Corporate Details

Issued capital:
55.8M ordinary shares
2.37M 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
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
Website: www.navarre.com.au

Drilling starts at Tandarra gold prospect

Highlights

- **13,000m air-core and diamond drilling program starts at Tandarra**
- **CSAMT geophysics completed at Kingston Gold Project and now underway at Sebastian Gold Project**
- **SPP Offer set to close at 5pm (Melbourne time), 5 October 2012**

Navarre Minerals Limited (ASX Code: NML) is pleased to announce that its 2012/2013 drilling program commenced this morning at its Tandarra gold prospect, 40 km north of Bendigo in Victoria, Australia (Figures 1 & 2).

The company has commenced a 13,000m program of air-core and diamond drilling at Tandarra with the aim of delineating the near surface extent of gold mineralisation within a four kilometre corridor along the trend of the established lines of reef. Drilling will also test and confirm other regional targets identified at Tandarra, Raydarra and Sebastian.

At Tandarra, drilling is initially targeting the projected northern extension of established gold mineralisation which includes follow-up to high-grade gold results intersected in a previous scout air-core drill hole, TAC125 (Figure 3). This drill hole recorded a peak result of **1m @ 259.8g Au/t** from 104m down-hole within an assay range of **3.1g Au/t to 259.8g Au/t** as determined by duplicate sampling. The results are interpreted to indicate the presence of nuggety gold.

At the Kingston Gold Project, Controlled Source Audio-Frequency Magneto Tellurics (CSAMT) and a trial induced polarisation geophysical survey have recently been completed and are expected to generate drill targets. CSAMT surveys are now proceeding at the Sebastian Gold Project (the southern-most extension of the Tandarra prospect, see Figure 1) across the projected trend of the Frederick the Great Gold Mine - a nine kilometre long corridor of potential gold mineralisation located under shallow Murray Basin cover which has not been subject to previous exploration.

The Company's 2012 Share Purchase Plan (SPP) to raise up to $2.5m is currently open and eligible shareholders have until 5pm (Melbourne time) this Friday 5 October to participate.

Proceeds from the SPP, together with cash on hand, will be used to fund the current exploration program and follow-up work.

– ENDS –

About Navarre Minerals Limited

Navarre Minerals Limited is an ASX-listed, Australian-based mineral exploration company searching for gold and base metal deposits in Victoria.

Our goal is to define a maiden mineral resource and to become a low-cost Victorian gold producer through exploration success.

Our assets include a recent gold discovery under shallow cover 40km from the 22Moz Bendigo Goldfield.

For further information contact:

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

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.

Competent Person Declaration

The information in this release that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Geoff 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 2004 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.

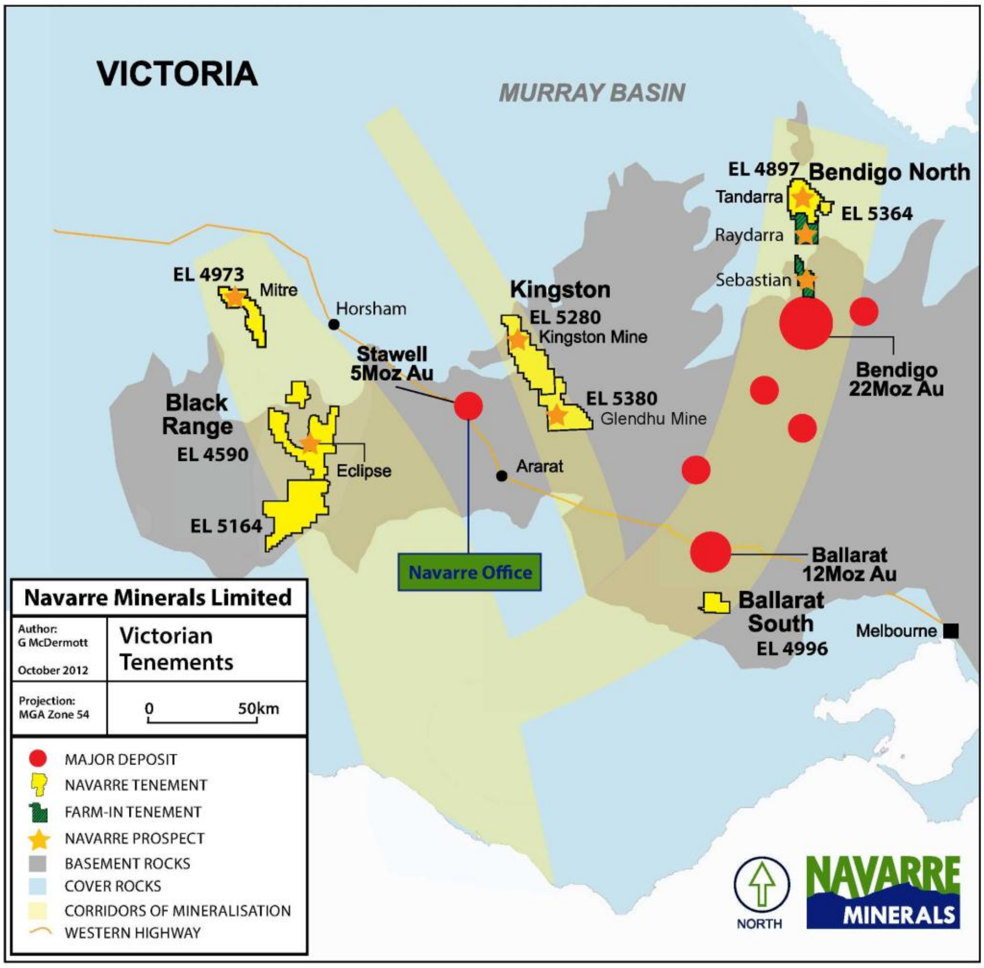

Figure 1: **Location of Navarre's mineral projects, interpreted major mineral corridors, exposure of basement rocks and extent of cover rock sequences.**

Figure 2: Drilling underway today at Tandarra

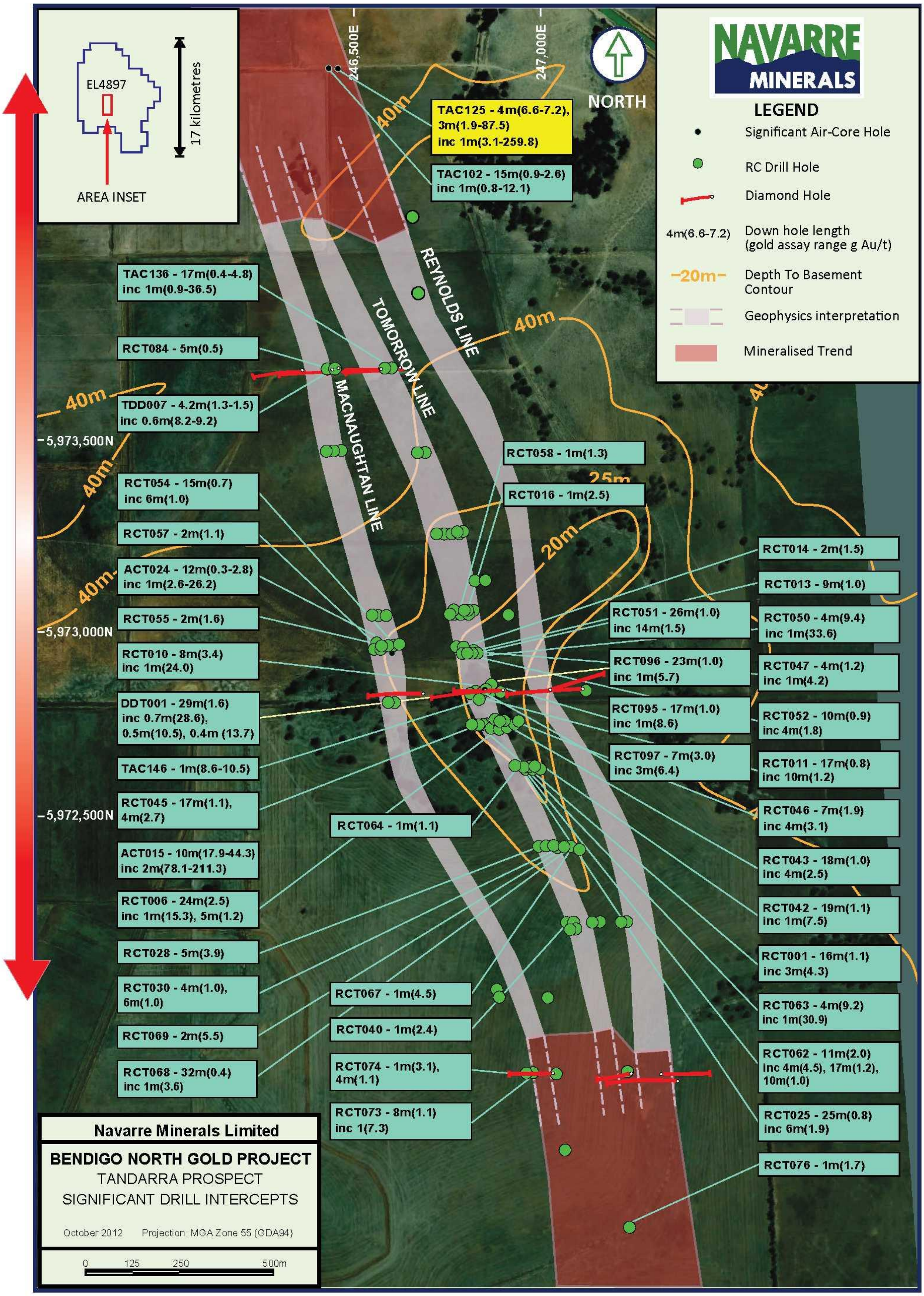

Figure 3: Satellite image of part of the Tandarra prospect showing near surface gold mineralisation trend and its projection to the north and south.