

ASX Announcement

18 December 2012

Navarre Minerals Limited

ABN 66 125 140 105

ASX Code: NML

Corporate Details

Issued capital:

59.6M ordinary shares

5.13M 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)

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Drilling extends Macnaughtan line gold mineralisation

Highlights

- **3m @ 8.8g Au/t from 46.5m and 6m @ 2.2g Au/t from 79.5m down-hole in air-core hole ACT172**
- **Macnaughtan line gold mineralisation extended by 400m to the north. Potential Bendigo-style saddle and leg reefs identified**
- **Alluvial gold potential confirmed at northern Tandarra**
- **Duplicate sampling shows a high nugget effect at Tandarra**

Victorian based gold exploration company Navarre Minerals Limited (ASX Code: NML) today announces further potential ore-grade gold intercepts from air-core drilling at its 100% owned Tandarra prospect, part of the Bendigo North group of gold projects, located 40km north of Bendigo, Victoria, Australia (Figure 1).

“The latest Tandarra drill campaign comprising 60 air-core holes has extended the known gold mineralisation of the Macnaughtan line of reef by a further 400 metres to the north,” commented Navarre managing director, Mr Geoff McDermott (Figures 2 & 3). “This campaign has defined a new zone of contiguous assay results greater than one gram of gold per tonne along 400 metres of strike close to an interpreted Bendigo-style saddle reef located on the Macnaughtan line of gold mineralisation.” The Macnaughtan line is one of three lines of gold bearing quartz reef discovered by drilling at Tandarra.

Best results include **3m @ 8.8 Au/t** from 46.5m down-hole in ACT172 (see Table 1 & Figure 2). This is located 220m south of the previously announced high-grade intercept from ACT151 of **4.5m @ 23.1g Au/t** from 69.0m (see ASX release of 17 October 2012).

“Testing of duplicate samples from these holes is highlighting the variable or nuggety nature of the gold contained within the quartz reefs,” Mr McDermott said. The intersection in ACT172 comes from duplicate samples which originally assayed 3m @ 1.9g Au/t from 46.5m with a primary sample within this interval of 0.05g Au/t reporting a duplicate grade of 11.9g Au/t (Table 1). This is an example of the coarse nugget effect found at Tandarra from routine duplicate analysis. Analysis of all duplicate sample pairs greater than 0.1g Au/t taken during the program shows an **average upgrade of 32%** in the duplicate sample set (see Table 2). “Our conclusion is that sampling and assaying at Tandarra using 2,000g leach methods is likely to under-represent the true concentrations of gold present,” he said.

Assay results from 60 holes comprising approximately 5,900 metres of drilling completed since early October 2012 are now to hand with only a small amount of duplicate samples awaited (see Table 1 & previous ASX release of 17 October 2012).

BURIED ALLUVIAL GOLD OPPORTUNITY

A small number of air-core holes drilled on the northern extensions to the Tomorrow and Macnaughtan lines have returned positive gold grades in the buried alluvial gravels and sands which form the base of the Murray Basin sediment cover (Figures 2 & 3). Navarre is presently assessing shallow geophysical techniques which may assist targeting of higher grade buried channels of alluvial gold for future drill confirmation and economic assessment.

“The extension of the Macnaughtan line and the recognition of potential saddle and leg reefs are exciting in their own right because the project continues to demonstrate analogies with the nearby 22Moz Bendigo Goldfield,” Mr McDermott said. “However, we are delighted about the prospect of uncovering alluvial gold deposited after erosion of the original quartz reefs in this vicinity over time, before the entire landscape was covered and preserved by Murray Basin clays and sands.”

“The Bendigo Goldfield was discovered because the gold-bearing alluvial gravels were so easily accessible. The early prospectors then turned their attention to mining the gold-bearing quartz reefs which were often outcropping. Our alluvials are harder to find because they are covered by 20 to 40 metres of mud and sand. This cover has preserved the alluvials and prevented the old timers from finding them and as such they remain an attractive target for us to explore,” Mr McDermott said.

TABLE 1: Significant new Tandarra air-core drill results (see Figure 2)

Air-Core Hole ID	Length (m)	Gold Grade (g Au/t)	Depth From (m)	End of Hole Depth (m)	Comments
ACT153		NSA		69.0	Drill Refusal on quartz veining at 69m
ACT154	3.0	0.21	51.0	88.5	
ACT155	4.5	0.12	57.0	101.0	Murray Basin sediments close to interface with basement
and	13.5	0.15	57.0		
and	1.5	0.35	61.5		Quartz gravels or possible quartz vein at top of basement
and	7.5	0.13	63.0		
ACT156	1.5	0.34	57.0	60.0	Clay at interface. Drill refusal on quartz veining at 60m
ACT157		NSA		87.0	Strong quartz veining 57m to 79.5m
ACT158		NSA		87.0	
ACT159		NSA		102.0	
ACT160	1.5	0.11	60.0	90.0	
ACT161		NSA		93.0	
ACT162	1.5	0.36	48.0	120.0	10% quartz in Murray Basin clays at interface with basement
and	7.5	0.20	61.5		
and	1.5	0.16	79.5		
ACT163	1.5	0.14	43.5		
and	12.0	0.80	63.0		Possible syncline axis
includes	6.0	1.43	63.0	114.0	1 – 5% quartz at base of oxidised basement
ACT164	15.0	0.76	63.0	81.0	Murray Basin gravels and underlying quartz veins
includes	1.5	1.64	63.0		Quartz gravels
includes	1.5	1.52	66.0		Hosted in shale immediately beneath Murray Basin
includes	6.0	1.02	72.0		Quartz up to 20% within sandstones and shales
ACT165	7.5	0.76	51.0	92.0	Drill refusal on 60% quartz veining at 92m
includes	4.5	1.08	51.0		Quartz gravels and clays
and	1.5	0.14	64.5		2% quartz

Air-Core Hole ID	Length (m)	Gold Grade (g Au/t)	Depth From (m)	End of Hole Depth (m)	Comments
ACT166 <i>and</i>	3.0	*0.38	55.5	126.0	*duplicate assay of initial 0.22g Au/t
	1.5	0.14	61.5		5% quartz with weak hematite alteration
ACT167		NSA		106.5	
ACT168		NSA		111.0	
ACT169	1.5	*0.19	82.5	120.0	Murray Basin interface, *duplicate assay of initial 0.02g Au/t
ACT170		NSA		105.0	
ACT171 <i>and</i>	3.0	0.27	57.0	111.0	Murray Basin sands and clays underlying gravels
	1.5	0.40	81.0		
ACT172 <i>and</i> <i>and</i> <i>duplicate</i> <i>assay</i> <i>includes</i> <i>and</i> <i>includes</i> <i>and</i> <i>includes</i> <i>includes</i>	1.5	0.23	40.5	96.0	
	3.0	0.11	42.0		
	3.0	1.88	46.5		5% quartz with weak limonite alteration
	3.0	8.83	46.5		Within hematite altered quartz veining * includes duplicate repeat assay 11.95g Au/t
	1.5	*11.95	48.0		*Initial gold grade 0.05g Au/t
	3.0	0.30	58.5		On margins of 2% quartz zone with hematite alteration
	1.5	0.35	58.5		
	6.0	2.20	79.5		50% quartz veining in bleached and pitted shales
	1.5	6.93	79.5		
	1.5	1.71	82.5		
ACT173 <i>and</i>	1.5	*0.29	79.5	108.0	5-10% quartz with strong limonite alteration. *duplicate assay, initial gold grade less than detection (0.01g Au/t)
	1.5	2.76	94.5		15% quartz veining with limonite in bleached sandstone
ACT174		NSA		102.0	Low quartz content – near syncline axis
ACT175		NSA		102.0	Ferruginous quartz from 46m to 55m
ACT176		NSA		111.0	Weak hematite altered quartz veining at 67m
ACT177		NSA		111.0	Weak hematite altered quartz veining at 67m
ACT178		NSA		104.0	Trace pyrite near Murray Basin interface
ACT179 <i>includes</i>	6.0	0.73	52.5	90.0	Trace pyrite near Murray Basin interface
	1.5	1.30	55.5		Top of basement or alluvial quartz gravel
ACT180	3.0	0.10	78.0	99.0	2% quartz. Wallrock bleached
ACT181		NSA		27.5	Drill-rig could not penetrate ferricrete starting at 25.5 to 27.5m
ACT182		NSA		108.0	12m at 10% quartz with low alteration, some strained quartz
ACT183 <i>and</i>	3.0	0.24	70.5	94.5	Visible gold panned
	1.5	*0.34	79.5		*duplicate assay of initial gold grade 0.02g Au/t
ACT184		NSA		99.0	Moderate hematite and limonite alteration in quartz
ACT185		NSA		96.0	4.5m at 33% quartz with weak hematite alteration from 78m
ACT186	7.5	0.12	96.0	117.0	Part of 35% quartz interval
ACT187 <i>and</i>	1.5	0.12	34.5	87.0	1% quartz with weak limonite alteration
	6.0	0.17	43.5		1% quartz with ferruginous wallrock alteration
ACT188	1.5	0.11	79.5	113.5	Minor limonite, hematite & chlorite alteration
ACT189		NSA		66.5	Blade refusal in 8m of quartz with average 20% to EOH with moderate limonite alteration and minor hematite alteration. Probable saddle reef quartz based on fold axis location
ACT190		NSA		102.0	Up to 50% quartz with minor chlorite present
ACT191	1.5	0.30	37.5	71.8	Oxidised sandstone near 7.5m at 5% quartz interval
ACT192		NSA		96.0	Weak limonite & hematite alteration in quartz at 66-69m
ACT193		NSA		104.0	Contains some laminated quartz

Air-Core Hole ID	Length (m)	Gold Grade (g Au/t)	Depth From (m)	End of Hole Depth (m)	Comments
ACT194 <i>and</i>	1.5	0.53	54.0	112.5	Visible gold panned
	1.5	2.88	105.0		30% quartz with weak limonite alteration
ACT195 <i>includes</i> <i>and</i>	6.0	1.02	52.5	111.0	Oxidised basement with 15-30% quartz veining
	1.5	3.40	52.5		
	4.5	0.25	63.0		Pyrite weathering pits in quartz and shales.
ACT196 <i>includes</i>	10.5	0.84	88.5	137.0	Quartz gravels at basement / Murray Basin interface
	1.5	4.00	91.5		

TABLE NOTES:

All assay results have been determined by Leachwell® (24 hour) cyanide leach 2,000g analysis. Minimum sample intervals are 1.5m in length. Significant results are ≥ 0.1 g Au/t. A series of external standards and blanks are used to assess laboratory assay quality control. The assays reported in this table are from grab sampling of variably wet to dry air-core samples, some downhole contamination below the Murray Basin is logged. Intervals are length weighted grade averages. True widths are yet to be determined. NSA refers to no significant assay. Abbreviation "includes" is a sub-intersection of the above mentioned interval/result. All holes are vertical except holes ACT182-187 and ACT190-192 (see inset plan in Figure 2). There has been insufficient drilling undertaken on the Tandarra prospect to define a Mineral Resource and it is uncertain if further exploration will result in determination of a Mineral Resource.

TABLE 2: Tandarra Q4 2012 Air-core duplicate sample assay comparisons

	Original Sample Au (ppm)	Duplicate Sample Au (ppm)	% Variance
	0.22	0.38	71 %
	0.04	0.10	148 %
	0.02	0.11	458 %
	0.02	0.19	1022 %
	0.01	0.10	563 %
Visible Au	3.71	5.72	54 %
Visible Au	0.05	11.95	22106 %
	0.14	0.07	-47 %
	0.35	2.62	654 %
	0.25	0.18	-30 %
	0.20	0.18	-10 %
	0.10	0.11	14 %
	0.05	0.11	145 %
Visible Au	6.93	0.48	-93 %
	0.08	0.10	23 %
	1.71	0.61	-64 %
	0.10	0.16	70 %
	0.07	0.10	49 %
	0.06	0.11	84 %
	0.02	0.14	758 %
	0.01	0.29	2785 %
	2.76	0.01	-99 %
	0.07	0.12	70 %
	1.30	0.03	-98 %
	0.14	0.01	-91 %
Visible Au	0.29	0.69	135 %
	0.18	0.01	-95 %
Visible Au	0.02	0.34	1767 %
	0.16	0.20	26 %
	0.13	0.11	-16 %
	0.41	0.57	38 %
MEAN :	0.63 ppm Au	0.84 ppm Au	32 %
MEDIAN :	0.13 ppm Au	0.14 ppm Au	10 %

- ENDS -

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Competent Person Declaration

The information in this release that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Wessley Edgar, who is a Member of The Australasian Institute of Mining and Metallurgy and who is Exploration Manager of Navarre Minerals Limited. Mr Edgar 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 Edgar 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.

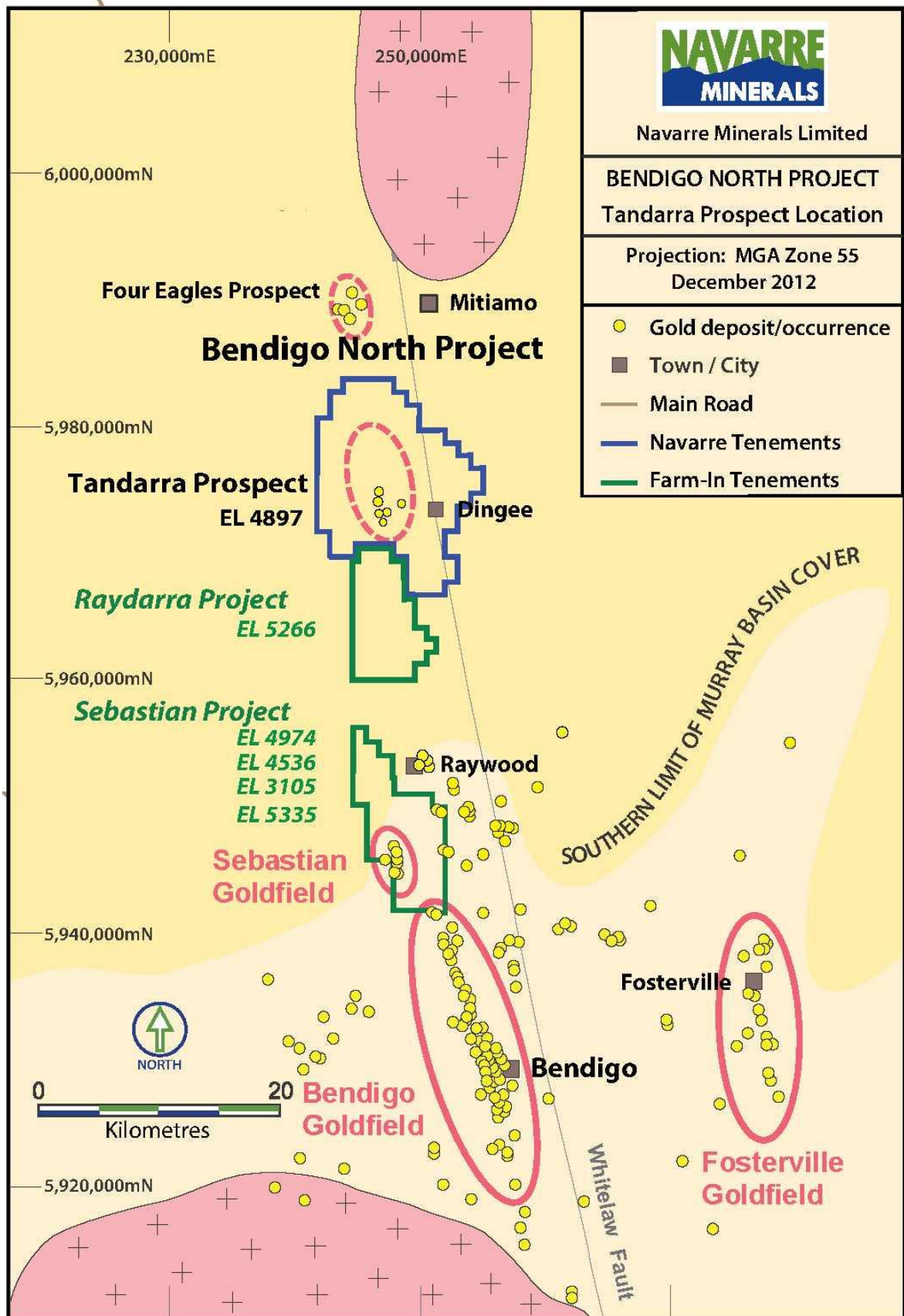


Figure 1: Location map of the Bendigo North group of gold projects.

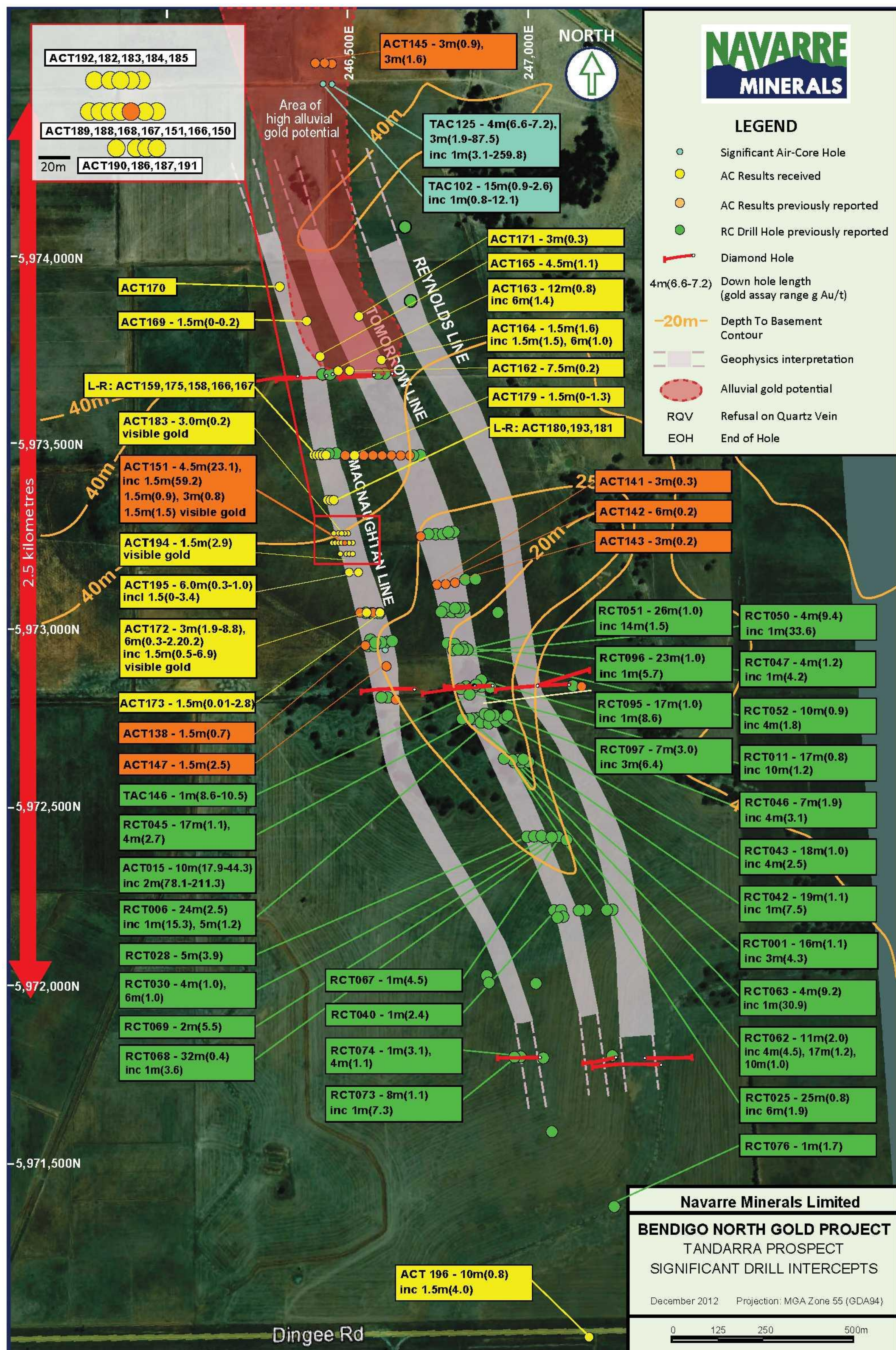


Figure 2: Satellite image of part of the Tandarra prospect showing near surface gold mineralisation trend, its projection to the north and south and location of air-core drill holes.

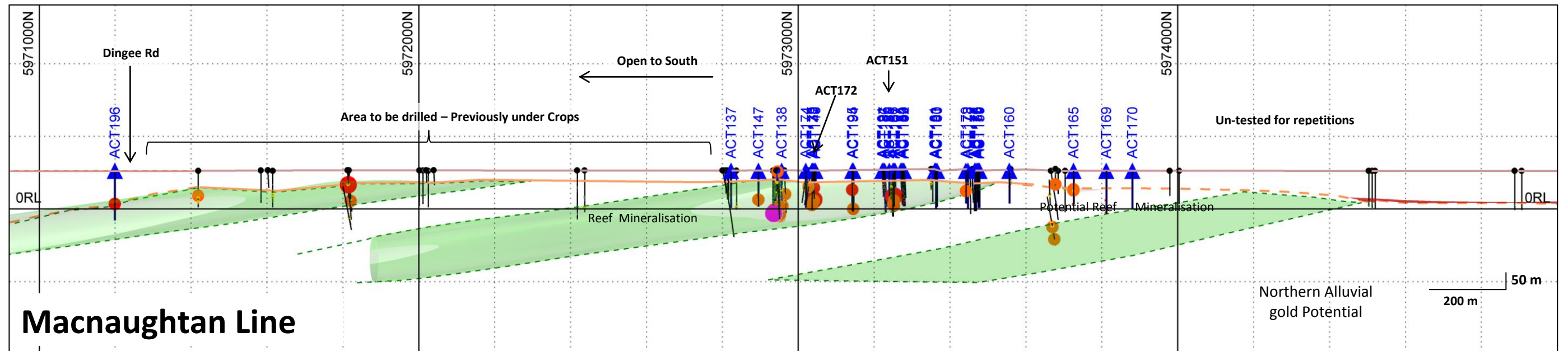


Figure 3. Longitudinal projections of Macnaughtan and Tomorrow Lines showing high-grade gold areas (see thematic gold legend). Recently completed air-core drill holes are shown in blue.

