



**NAVARRE MINERALS LIMITED**

ABN 66 125 140 105

## **Notice of Annual General Meeting**

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The Annual General Meeting (**Meeting**) of Shareholders of Navarre Minerals Limited (**Navarre or the Company**) will be held on **Friday 21 November 2014 at 11.00am AEDT** at RSM Bird Cameron Partners, Level 21, 55 Collins Street, Melbourne.

The Explanatory Statement that accompanies and forms part of this Notice describes the matters to be considered at the Meeting. Terms used in this Notice and the accompanying Explanatory Statement are defined in the glossary set out at the end of the Explanatory Statement.

### **ITEMS OF BUSINESS**

#### **Ordinary Business**

##### **Annual Accounts and Reports**

To receive and consider the Directors' Report, Financial Report and Auditor's Report of Navarre for the financial year ended 30 June 2014.

##### **Resolution 1 — Re-appointment of Mr John Dorward as Director**

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

*That Mr John Dorward, who retires by rotation in accordance with the Constitution and, being eligible, offers himself for election, be re-appointed as a Director.*

##### **Resolution 2 — Remuneration Report (non-binding resolution)**

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

*That the Remuneration Report set out in the Directors' Report of the Company for the financial year ended 30 June 2014 be adopted.*

#### **Special Business**

##### **Resolution 3 — Approval of issue of 2014 Options to Mr Geoff McDermott**

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

*That for the purposes of Listing Rule 10.14 and for all other purposes, Shareholder approval is given for the issue of up to 800,000 Options to Mr Geoff McDermott, the Managing Director of the Company, under the Company's Option Plan, at the exercise prices described in the Explanatory Statement and otherwise on the terms described in the Explanatory Statement.*

**Resolution 4 – Approval of share issue to refresh the Company’s 15% placement capacity**

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

*That for the purposes of Listing Rule 7.4 and for all other purposes, Shareholder approval is given to the issue of 4,615,384 fully paid ordinary shares in the Company to Crocodile Gold Australia Pty Ltd on 14 May 2014 at an issue price of \$0.065 per share, as detailed in the Explanatory Statement.*

**Resolution 5 – Approval of additional capacity to issue ordinary shares**

To consider and, if thought fit, pass the following resolution as a special resolution:

*That for the purposes of Listing Rule 7.1A and for all other purposes, Shareholder approval is given for the issue of ordinary shares by the Company pursuant to Listing Rule 7.1A, such that, subject to the conditions described in the Explanatory Statement, the Company will have the benefit of the additional capacity to issue ordinary shares as contemplated by Listing Rule 7.1A.*

**Resolution 6 – Adoption of proportional takeover approval rules**

To consider and, if thought fit, pass the following resolution as a special resolution:

*That the Company’s Constitution be amended by adopting Rule 37 in the form tabled, as summarised in the Explanatory Statement, for a period of three years, effective on the day on which this resolution is passed by Shareholders in general meeting.*

**By order of the Board**

Jane Nosworthy  
Company Secretary

6 October 2014

**Important Notice – Accessing the Company’s 2014 Annual Report**

The Company’s 2014 Annual Report is now available on the Company’s website at [www.navarre.com.au/annual-half-year-reports](http://www.navarre.com.au/annual-half-year-reports).

You will only receive a printed copy of the Annual Report if you have elected to continue receiving shareholder communications in hard copy.

If you have not elected to continue to receive a printed copy of the Company’s Annual Report but now (or sometime in the future) wish to do so, please contact the Company’s share registry, Boardroom Pty Limited, to change your shareholder communication preferences.

## Voting Entitlements

The Company has determined that for the purpose of voting at the Meeting, Shareholders eligible to vote at the Meeting are those persons who are the registered holders of Shares at 7.00pm AEDT on Wednesday 19 November 2014.

## How to vote

**Your vote is important. You may cast your vote in the following ways:**

- by attending and voting at the Meeting on Friday 21 November 2014 at 11.00am AEDT; or
- by completing and returning the enclosed proxy form so that it is received by the Company's share registry by 11.00am AEDT on Wednesday 19 November 2014; or
- in the case of a corporate shareholder, by appointing a corporate representative to attend the Meeting in person (using a certificate of appointment obtained from the Company's share registry).

### *Voting in person*

To vote in person, attend the Meeting on the date and at the place specified in the Notice. Shareholders are asked to arrive at the venue 30 minutes prior to the time designated for the Meeting so that the Company may check their shareholdings against the Company's share register and note attendances.

### *Voting by proxy*

To vote by proxy, the attached proxy form and the power of attorney or other authority (if any) under which it is signed must be provided to the Company's share registry, Boardroom Pty Limited, in the enclosed Reply Paid envelope, or in any of the following ways:

- **Online** at [www.votingonline.com.au/vote/navarreagm2014](http://www.votingonline.com.au/vote/navarreagm2014)
- **By post** to GPO Box 3993, Sydney NSW 2001, Australia
- **By hand delivery** to Level 7, 207 Kent Street, Sydney NSW 2000, Australia
- **By fax** on +61 2 9290 9655

Proxy forms must be received by the share registry no later than 11.00am AEDT on Wednesday 19 November 2014 (or, if the Meeting is adjourned, by no later than 48 hours before the commencement of the resumed meeting).

Proxies must be signed by the Shareholder or the Shareholder's attorney. Proxies given by corporations must be signed by an attorney or executed by the corporation in accordance with the Corporations Act.

### *Voting through a corporate representative*

A body corporate that is a Shareholder of the Company may appoint an individual to act as its representative at the Meeting in accordance with section 250D of the Corporations Act. The Company will require a certificate of appointment of the corporate representative, executed in accordance with the Corporations Act.

The certificate of appointment must be lodged with the Company's share registry (see details above) before the Meeting or at the registration desk on the day of the Meeting. Please contact the Company or Boardroom Pty Limited on +61 1300 737 760 to obtain a certificate of appointment.

## Information about proxy voting

Please read the following information carefully if you intend to appoint a proxy to attend the Meeting and vote on your behalf.

### ***Appointment of proxies***

A Shareholder entitled to attend and vote at the Meeting may appoint one or, if the Shareholder is entitled to cast two or more votes at the Meeting, two proxies to attend and vote on their behalf. Each proxy will have the right to vote on a poll and also to speak at the Meeting. A proxy need not be a member of the Company and can be either an individual or a body corporate.

### ***Voting by proxies***

The appointment of a proxy may specify the proportion or the number of votes that the proxy may exercise. Where two proxies are appointed and the appointment does not specify the proportion or number of the Shareholder's votes each proxy may exercise, the votes will be divided equally among the proxies (ie. each proxy may exercise half the votes). If a proxy is not directed how to vote on a resolution, the proxy may vote or abstain from voting on that resolution as they see fit.

### ***Non-attendance by nominated proxy***

If a proxy form is returned and no person or body corporate is named as the proxy or the nominated proxy does not attend the meeting, or does not vote on the resolution, the chair of the Meeting will act as proxy and vote in accordance with any instructions.

### ***How the chair of the meeting will vote undirected proxies***

**The chair of the Meeting will vote undirected proxies in favour of each Resolution on which the chair is entitled to vote as proxy.** Proxy appointments in favour of any other Director or the Company Secretary that do not contain a direction on how to vote will be used where possible to support the resolutions proposed in the Notice.

### ***Important information concerning proxy votes for Resolutions 2 and 3***

The Corporations Act places certain restrictions on the ability of Key Management Personnel and their Closely Related Parties to vote on the advisory resolution to adopt the Company's Remuneration Report and resolutions connected directly or indirectly with the remuneration of the Company's Key Management Personnel.

For these reasons, Shareholders who intend to vote by proxy should carefully consider the identity of their proxy and are encouraged to direct their proxy as to how to vote on all Resolutions. If you do not do so, you risk your vote not being cast.

If you appoint the chair of the Meeting as your proxy but do not direct the chair how to vote in respect of either or both of Resolution 2 and Resolution 3, **you are providing express authorisation for the chair of the Meeting to vote your proxy in relation to Resolution 2 and/or Resolution 3 (as applicable), notwithstanding that those resolutions are connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel, which includes the Chairman.**

As noted above, the chair of the Meeting intends to vote undirected proxies **in favour** of Resolutions 2 and 3. Accordingly, if you appoint the chair of the Meeting as your proxy (including an appointment by default) and you wish to vote differently to how the chair of the Meeting intends to vote on Resolution 2 and/or Resolution 3, you must mark 'against' or 'abstain' on the proxy form for the relevant Resolution.

### **Voting Exclusions and Prohibitions**

**Resolution 2** – In accordance with the Corporations Act, a vote on Resolution 2 must not be cast (in any capacity) by or on behalf of:

- a member of Key Management Personnel whose details are included in the Remuneration Report; or
- a Closely Related Party of such a member.

However, a person described above may vote on Resolution 2 as a proxy if the vote is not cast on behalf of a person described above and either:

- the person does so as a proxy appointed by writing that specifies the way the proxy is to vote on Resolution 2; or
- the person is the chair of the Meeting and the appointment:
  - does not specify the way the proxy is to vote on Resolution 2; and
  - expressly authorises the chair to exercise the proxy even if the resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel of the Company.

**Resolution 3** – The Company will disregard any votes cast on Resolution 3 (in any capacity) by or on behalf of any Director (including Mr McDermott, Mr Wilson, Mr Naylor and Mr Dorward) and any of their associates. However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the chair of the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

In accordance with the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on Resolution 3 if the proxy is either:

- a member of Key Management Personnel; or
- a Closely Related Party of such a member,

and the appointment does not specify the way the proxy is to vote on that particular resolution.

However, this prohibition does not apply if the proxy is the chair of the Meeting and the appointment expressly authorises the chair to exercise the proxy even if the resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel of the Company.

**Resolution 4** – In accordance with Listing Rule 14.11.1, the Company is required to disregard any votes cast on Resolution 4 by a person or an associate of a person who participated in the share placement described in the Explanatory Statement. However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the chair of the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

**Resolution 5** – In accordance with Listing Rule 14.11.1, the Company is required to disregard any votes cast on Resolution 5 by a person or an associate of a person who may participate in the proposed issue of ordinary shares or who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary shares, if the resolution is passed. However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the chair of the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

At this stage, the proposed allottees of the ordinary shares are not known and identified. In accordance with the note to Listing Rule 14.11.1, a person's vote will only be excluded from voting on Resolution 5 if there is more than a mere possibility that the person will participate in the proposed issue.

## NAVARRE MINERALS LIMITED

ABN 66 125 140 105

### Explanatory Statement

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The purpose of this Explanatory Statement is to explain the resolutions in the accompanying Notice of Annual General Meeting and to provide Shareholders with all information known to the Company that is material to a decision on how to vote on those resolutions.

The Directors recommend Shareholders read the Notice and this Explanatory Statement in full before making any decision in relation to the Resolutions.

Capitalised terms in this Explanatory Statement are defined in the glossary at the end of this document.

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#### **Consider Accounts and Reports**

The Corporations Act requires the Director's Report, Financial Report and Auditor's Report of the Company to be laid before the Meeting. Accordingly, the reports for the financial year ended 30 June 2014 will be presented for consideration by Shareholders. No resolution is required on these reports.

The chair of the Meeting will allow a reasonable opportunity for Shareholders to ask questions or make comments about those reports and the management of the Company. Shareholders will also be given a reasonable opportunity to ask the auditor questions about the conduct of the audit and the preparation and content of the Auditor's Report.

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#### **Resolution 1 – Re-appointment of Mr John Dorward as a Director**

Mr John Dorward retires by rotation in accordance with the Constitution and, being eligible for re-election, offers himself for re-appointment as a Director. Details of Mr Dorward's qualifications and experience are set out in the Company's 2014 Annual Report.

##### ***Directors' Recommendation***

*The Directors (other than Mr Dorward) recommend that Shareholders vote in favour of this resolution. Mr Dorward makes no recommendation.*

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#### **Resolution 2 – Remuneration Report (non-binding resolution)**

The Remuneration Report for the financial year ended 30 June 2014 is set out in the Company's 2014 Annual Report. By way of summary, the Remuneration Report sets out the Company's remuneration policies and sets out remuneration details for each Director and other Key Management Personnel of the Company.

Shareholders attending the Meeting will be given a reasonable opportunity to ask questions about, or make comments on, the Remuneration Report.

Under the Corporations Act, a listed entity is required to put to the vote a resolution that the Remuneration Report be adopted. The vote on this resolution is advisory only and does not bind the Directors or the Company. However, if at least 25% of the votes cast on Resolution 2 are cast against the adoption of the Remuneration Report at two consecutive annual general meetings, then a 'board spill resolution' must be put to the Shareholders proposing the calling of a Shareholder meeting to consider the appointment of Directors.

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If a board spill resolution is passed by the Shareholders, the Company is required to hold a further meeting of Shareholders within 90 days to consider replacing those Directors (other than the Managing Director of the Company) in office at the time the Remuneration Report was approved by the Board.

Less than 25% of votes cast at the last Annual General Meeting of the Company were cast against the resolution to adopt the Remuneration Report for the financial year ended 30 June 2013.

### Resolution 3 – Issue of Options to Mr Geoff McDermott

Listing Rule 10.14 requires a listed company to obtain shareholder approval by ordinary resolution prior to the issue of securities to a director of the company under an employee incentive scheme. Accordingly, in accordance with Listing Rule 10.14, Shareholder approval is sought for the proposed grant of up to 800,000 Options to the Company’s Managing Director, Mr Geoff McDermott, under the Option Plan on the terms set out below.

The following table summarises the proposed Option grant to Mr McDermott:

Tranche	Number of Options	Test for grant	Exercise price	Expiry date
1	100,000	Employed by Navarre Minerals Ltd at 31 December 2014	10 cents	31/12/2018
2	350,000	VWAP (as defined below) over the trading days during the calendar month of December 2014 is 10 cents or higher	10 cents	31/12/2018
3	350,000	VWAP over the trading days during the month of December 2014 is 15 cents or higher	15 cents	31/12/2018

If Shareholder approval is obtained, it is intended the Options will be issued in January 2015, but in any event no later than 12 months after the Meeting or any adjournment of that Meeting. The Options will only be issued if the Board (excluding Mr McDermott) determines that the applicable tests for grant of those Options have been satisfied. This will be considered by the Board (excluding Mr McDermott) in January 2015, based on a recommendation from the Remuneration & Nomination Committee (excluding Mr McDermott).

Details of the specific terms applicable to the proposed Option grant to Mr McDermott are set out below.

#### *Test for grant*

The Options are divided into three tranches, as shown in the table above.

The first tranche of Options (100,000 Options) is subject to a time-based hurdle. These Options will be granted to Mr McDermott if he is employed by the Company at 31 December 2014. The Board (excluding Mr McDermott) proposes to grant these Options without additional hurdles because Mr McDermott’s fixed remuneration has not increased since 1 April 2012.

The test for the grant of the second and third tranches of Options is the volume weighted average price (VWAP) of shares in the Company over the trading days during the calendar month of December 2014 (December 2014 VWAP), as follows:

- **tranche 2:** 350,000 Options will be granted if the December 2014 VWAP is 10 cents or higher; and
- **tranche 3:** 350,000 Options will be granted if the December 2014 VWAP is 15 cents or higher.

*Exercise price*

The exercise price for tranches 1 and 2 will be 10 cents and the exercise price for tranche 3 will be 15 cents. In the view of the Board (excluding Mr McDermott), these prices provide an appropriate hurdle to the exercise of the proposed Options, particularly in light of current economic circumstances, which continue to exert strong downward pressure on share prices in the small resource sector. The exercise prices of the proposed Options were set on 31 January 2014 by reference to the last closing price of Shares on ASX (\$0.09 per Share on 28 January 2014).

*Vesting*

Each tranche of Options will vest in thirds, subject to the following vesting conditions, which must be satisfied or waived by the Company:

- one-third will vest when the Company's closing share price exceeds the exercise price of the Options for ten consecutive trading days after the date of grant of the Options;
- one-third will vest when the Company's closing share price exceeds the exercise price of the Options for ten consecutive trading days after 1 January 2016; and
- one-third will vest when the closing share price exceeds the exercise price of the Options for ten consecutive trading days after 1 January 2017.

Mr McDermott must also be employed as Managing Director of the Company at the time when the relevant vesting condition is satisfied or waived.

Upon vesting, the Options are exercisable at any time prior to the expiry date. However, if Mr McDermott ceases employment as Managing Director of the Company, any vested Options held by him may be exercised within a period of 90 days following the cessation of employment, and in any event no later than their expiry date, after which time they will lapse.

*Expiry date*

The expiry date of the Options will be 31 December 2018.

**Additional information required by Listing Rule 10.15**

The following information is provided in accordance with Listing Rule 10.15 with respect to Resolution 3:

- The maximum number of Options that may be issued to Mr McDermott if Resolution 3 is passed by Shareholders is 800,000.
- Mr McDermott is a Director.
- Each Option will be granted for nil consideration.
- No Options have been issued to Directors or other related parties since the last approval under the Listing Rules was obtained at the 2013 Annual General Meeting.
- All Directors are entitled to participate in the Option Plan.
- Voting exclusion statements apply to Resolution 3 as set out in the Notice.
- Mr McDermott will not receive a loan in relation to the exercise of the Options.
- If Shareholders do not approve the proposed grant of Options to Mr McDermott, the Company will need to consider other means of providing a long term incentive for the Managing Director, including providing a benefit to him in the form of cash.

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**Directors' Recommendation**

*The Board (other than Mr McDermott) unanimously recommends that Shareholders vote in favour of Resolution 3. Mr McDermott makes no recommendation.*

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**Resolution 4 – Approval of share issue to refresh the Company's 15% placement capacity**

Resolution 4 seeks the approval of Shareholders, for the purposes of Listing Rule 7.4, for the prior issue of 4,615,384 Shares (**Placement Shares**) by way of a private placement to Crocodile Gold Australia Pty Ltd (**CGAPL**) that was completed on 14 May 2014 (**Placement**). CGAPL is a subsidiary of TSX-listed Crocodile Gold Corp., the owner of Victoria's largest gold mines at Stawell and Fosterville. The Placement Shares were issued at the same price (\$0.065 per Share) as the Shares offered by the Company to existing Shareholders under the Company's 2014 Share Purchase Plan.

Listing Rule 7.1, known as the "15% rule", provides that, subject to certain exceptions, prior approval of shareholders is required for the issue of equity securities if the equity securities will, when aggregated with the equity securities issued by a company during the previous 12 months, exceed 15% of the number of equity securities on issue at the commencement of that 12 month period. Listing Rule 7.4 provides that an issue of equity securities made without prior approval under Listing Rule 7.1 is treated as having been made with approval for the purpose of Listing Rule 7.1 if the issue did not breach Listing Rule 7.1 and the company's shareholders subsequently approve it.

As the Placement Shares issued by the Company came within the Company's 15% placement limit under Listing Rule 7.1, Shareholder approval was not required in advance of the issue. The purpose of seeking the subsequent approval of Shareholders under Listing Rule 7.4 for the issue of the Placement Shares is to ensure that those Shares may be excluded when calculating whether a future issue of equity securities can be accommodated within the 15% limit under Listing Rule 7.1.

If Resolution 4 is approved, this will replenish the Company's placement capacity under the 15% rule and maximise the Company's flexibility to make further placements to investors without prior Shareholder approval if the Board considers that it is in the Company's interests to do so.

**Additional information required by Listing Rule 7.5**

The following information is provided in accordance with Listing Rule 7.5 with respect to Resolution 4:

- The number of Placement Shares allotted on 14 May 2014 was 4,615,384.
- The Placement Shares were issued at \$0.065 per Placement Share.
- The Placement Shares were issued to CGAPL. Following the issue of the Placement Shares, CGAPL is the holder of 9,802,606 Shares, which represents approximately 16% of the total number of Shares on issue at the date of this Notice.
- The Placement Shares were issued as fully paid ordinary shares in the Company, ranking equally with, and having identical rights to, the Company's other fully paid ordinary shares.
- A total of \$300,000 (less issue costs) was raised by the issue of the Placement Shares.
- The funds raised from the Placement have been and will be used to provide funding for exploration on the Company's Eclipse Prospect and broader Western Victoria Copper Project and to meet ongoing working capital requirements.
- A voting exclusion statement applies to Resolution 4, as set out in the Notice.

- If Resolution 4 is not passed, the Placement Shares will be counted towards the 15% limit under ASX Listing Rule 7.1 for a period of 12 months from the date of issue.

**Directors' Recommendation**

*The Board unanimously recommends that Shareholders vote in favour of Resolution 4.*

**Resolution 5 – Approval of Additional Capacity to issue Ordinary Shares**

Listing Rule 7.1A entitles eligible entities to issue equity securities of up to 10% of the Company's existing issued capital, subject to shareholder approval. In this regard, approval is sought from the Shareholders for the issue of Shares by the Company pursuant to Listing Rule 7.1A, such that the Company will have the benefit of the additional capacity to issue ordinary shares as contemplated by Listing Rule 7.1A.

Resolution 5 is a special resolution and therefore must be approved by at least 75% of the total number of votes cast by Shareholders entitled to vote on the resolution (in person, by proxy, by attorney or, in the case of a body corporate, by a corporate representative).

An eligible entity for the purposes of Listing Rule 7.1A is an entity that, at the time of its annual general meeting, is not included in the S&P/ASX300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity.

If Resolution 5 is passed, the maximum number of Shares that the Company will be entitled to issue is the number calculated in accordance with the following formula (as set out in Listing Rule 7.1A.2):

$$(A \times D) - E$$

where:

A = the number of fully paid ordinary securities on issue 12 months before the date of issue or agreement,

- plus the number of fully paid ordinary securities issued in the 12 months under an exception in Listing Rule 7.2,
- plus the number of partly paid ordinary securities that became fully paid in the 12 months,
- plus the number of fully paid ordinary securities issued in the 12 months with the approval of Shareholders under Listing Rule 7.1 or Listing Rule 7.4,
- less the number of fully paid ordinary securities cancelled in the 12 months.

D = 10%

E = the number of equity securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of issue or agreement to issue that are not issued with the approval of Shareholders under Listing Rule 7.1 or Listing Rule 7.4.

For example, on 12 September 2014, the Company had 72,607,653 Shares on issue. Assuming 1 million Shares are issued between 31 August 2014 and 31 August 2015 (eg. pursuant to options being exercised) then the Company will, as at 31 August 2015, be able to issue 7,360,765 Shares. This assumes a value of nil for variable "E" above.

The ability to issue ordinary shares under Listing Rule 7.1A is in addition to the Company’s ability to issue ordinary shares of up to 15% of its existing issued capital over a 12 month period without Shareholder approval permitted by Listing Rule 7.1.

**Additional information required by Listing Rule 7.3A**

The following information is provided in accordance with Listing Rule 7.3A with respect to Resolution 5:

- **Minimum Price:** The issue price of each Share will be no less than 75% of the VWAP over the 15 trading days on which trades in that class were recorded immediately before:
  - the date on which the price at which the Shares are to be issued is agreed; or
  - if the Shares are not issued within 5 trading days of the date on which the price is agreed, the date on which the Shares are issued.
- **Dilution:** If Resolution 5 is passed, and the Company issues Shares pursuant to the approval under Listing Rule 7.1A, the existing Shareholders’ voting power in the Company will be diluted with examples of such dilution being set out in the table below. There is a risk that:
  - the market price for the Company’s Shares may be significantly lower on the issue date than on the date of the approval under Listing Rule 7.1A; and
  - the Shares may be issued at a price that is at a discount to the market price for those Shares on the issue date,

which may have an effect on the amount of funds raised by the issue of the Shares.

As required by Listing Rule 7.3A.2, the table below shows the potential dilution of existing Shareholders on the basis of three different assumed issue prices and values for the variable “A” calculated in accordance with the formula in Listing Rule 7.1A.2 (as set out above). The following assumptions are made in the table:

- the issue price is the closing price of the Company’s Shares on 12 September 2014;
- the number of Shares on issue is at 12 September 2014. This could increase as a result of the issue of Shares either with or without shareholder approval; and
- the Company issues the maximum number of Shares as are permitted under Resolution 5.

Variable “A” in Listing Rule 7.1A.2 (Number of Shares on issue)	50% decrease in issue price \$0.031		Issue price \$0.061		100% increase in issue price \$0.122	
	10% Voting Dilution	Capital Raised	10% Voting Dilution	Capital Raised	10% Voting Dilution	Capital Raised
<b>72,607,653 (Current)</b>	7,260,765	\$225,084	7,260,765	\$442,907	7,260,765	\$885,813
<b>108,911,479 (50% increase in Current Variable A)</b>	10,891,147	\$337,626	10,891,147	\$664,360	10,891,147	\$1,328,720
<b>145,215,306 (100% increase in Current Variable A)</b>	14,521,530	\$450,167	14,521,530	\$885,813	14,521,530	\$1,771,627

- **Issue Date:** Shareholder approval obtained under Listing Rule 7.1A is valid for a period commencing on the date of the Meeting and expiring on the first to occur of the following:
  - the date that is 12 months after the date of the Meeting, being 21 November 2015; and

- the date of approval by the Shareholders of a transaction under Listing Rule 11.1.2 (significant change to the nature or scale of the Company’s activities) or Listing Rule 11.2 (disposal by the Company of its main undertaking).
- **Purpose:** The purpose for which Shares may be issued pursuant to the approval under Listing Rule 7.1A may be to raise funds for the Company and as non-cash consideration. Funds raised from the issue, if undertaken, would be used for exploration expenses, general working capital requirements and, potentially, the acquisition of new resources (including tenements and expenses associated with such acquisitions).

If the Company issues any Shares for non-cash consideration, the Company will release to the market a valuation of the non-cash consideration that demonstrates that the issue price of the Shares complies with Listing Rule 7.1A.3.

- **Allocation Policy:** The allottees may comprise existing Shareholders or new investors or a combination of both. The allottees will be determined by the Board, taking into account:
  - alternative options for raising funds if applicable. For example, the Board will consider whether it is appropriate to raise required funds by way of an entitlement issue;
  - the purpose of the issue;
  - the impact of the issue on the control of the Company;
  - market conditions and the financial position of the Company; and
  - if applicable, advice from external advisors.
- The Company does not yet know the names of the allottees or, other than described above, the basis on which they will be identified or selected.
- The Company notes that:
  - the Board has formed no specific intentions to offer any placement to any existing Shareholders, class of Shareholder or new investors;
  - the Board will, prior to make any placement, consider whether the raising of funds could be achieved by means of an entitlement issue to existing Shareholders; and
  - if any placement is announced, the Company would, in accordance with Listing Rule 3.10.5A, disclose its reasons for undertaking that particular issue as a placement, rather than an entitlements issue to existing Shareholders.
- The Company obtained Shareholder approval under Listing Rule 7.1A at its previous Annual General Meeting held on 22 November 2013.
- For the purposes of Listing Rule 7.3A.6(a), the table below shows the total number of equity securities issued in the 12 months preceding the date of this Meeting (being the 12 months to 21 November 2014) and the percentage those issues represent of the total number of equity securities on issue at the commencement of the 12 month period.

<b>Equity securities issued in the prior 12 month period</b>	12,984,680 ordinary shares 275,000 unlisted options
<b>Percentage previous issues represent of total number of equity securities on issue at commencement of 12 month period</b>	20.86%

- For the purposes of Listing Rule 7.3A.6(b), set out below are details of each issue of equity securities that has taken place in the 12 month period preceding the date of this Meeting (being the 12 months to 21 November 2014):
  - 100,000 Options issued to a senior employee of the Company under the Company's Option Plan, as disclosed to ASX on 3 February 2014. These Options are exercisable at \$0.15 each on or before 31 December 2017. These Options will vest in thirds, when the Company's closing share price exceeds the exercise price of the Options for ten consecutive trading days after the relevant vesting date (31 January 2014 for the first tranche, 1 January 2015 for the second tranche and 1 January 2016 for the third tranche). These Options were issued for nil consideration.
  - 175,000 Options issued to senior employees of the Company under the Company's Option Plan, as disclosed to ASX on 3 February 2014. These Options are exercisable at \$0.10 each on or before 31 December 2018. These Options will vest in thirds, when the Company's closing share price exceeds the exercise price of the Options for ten consecutive trading days after the relevant vesting date (1 January 2015 for the first tranche, 1 January 2016 for the second tranche and 1 January 2017 for the third tranche). These Options were issued for nil consideration.
  - 4,615,384 Shares issued on 14 May 2014 by a placement to Crocodile Gold Australia Pty Ltd as described above in relation to Resolution 4.
  - 8,369,296 Shares issued on 13 June 2014 to eligible shareholders who participated in the Company's 2014 Share Purchase Plan at an issue price of \$0.065 per Share (for a total cash consideration of \$544,000 before costs). The issue price represented a 5.8% discount to the closing market price of Shares on the day before the Share Purchase Plan was announced. The funds were raised to advance exploration on the Company's Eclipse Prospect and broader Western Victoria Copper Project and to meet ongoing working capital requirements.
- A voting exclusion statement applies to Resolution 5, as set out in the Notice.

### **Directors' Recommendation**

*The Board unanimously recommends that Shareholders vote in favour of Resolution 5.*

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### **Resolution 6 – Adoption of Proportional Takeover Approval Rules**

Under the Corporations Act, a company may include provisions in its constitution to enable it to refuse to register a transfer of shares resulting from an offer made under a proportional takeover bid, unless shareholders in general meeting approve the bid. A proportional takeover is a takeover bid where the offer made to each shareholder is only for a specified proportion of that shareholder's shares.

The Company's current Constitution does not include any provisions dealing with proportional takeovers. Accordingly, it is proposed to insert a new Rule 37 into the Constitution to assist Shareholders in receiving proper value for their Shares in circumstances of a proportional takeover offer. Broadly, new Rule 37 permits Shareholders, in general meeting, to vote on any proportional takeover offer. If the resolution is rejected, the offer is prevented from proceeding.

If the insertion of Rule 37 is approved by Shareholders at the Meeting, it will operate for three years from the date of the Meeting, unless earlier renewed.

The proposed Rule 37 will be tabled at the Meeting.

*Operation of Rule 37*

The effect of Rule 37 is that, if a proportional takeover offer is received, the Directors are required to convene a meeting of Shareholders to vote on a resolution to approve the proportional bid. That meeting must be held at least 14 days before the bid closes. If the proportional bid is not approved, the registration of any transfer of Shares resulting from an offer made under the proportional bid will be prohibited and the bid will be deemed to be withdrawn. If the proportional bid is approved, the transfers will be registered provided they comply with the other provisions of the Corporations Act and the Company's Constitution. The provisions of Rule 37 do not apply to takeover bids for the whole of the issued Shares of the Company.

*Reasons for proposing the resolution*

The Directors consider that it is in the interests of Shareholders to have a proportional takeover approval rule in the Constitution, as it gives Shareholders the opportunity to vote on a proposed proportional takeover bid. Without the proposed rule, a proportional takeover bid may enable control of the Company to be acquired without Shareholders having an opportunity to dispose of all their Shares to the bidder. This leaves Shareholders at risk of becoming part of a minority interest in the Company, which could result in them suffering a loss due to a decrease in share price following reduced opportunities to dispose of their remaining Shares. The proposed rule will prevent this situation, by permitting Shareholders in a general meeting to decide whether a proportional takeover bid should be permitted to proceed and assist in ensuring any partial bid is appropriately priced. The bidder and its associates would not be permitted to vote on the matter at such a meeting and thereby influence the outcome.

*Potential advantages and potential disadvantages*

The potential advantages for Shareholders of the proposed Rule 37 include:

- Shareholders have the right to study a proportional takeover bid and decide by majority vote whether an offer under a proportional takeover bid should proceed;
- knowing the view of the majority of Shareholders may help each individual Shareholders assess the likely outcome of the proportional takeover bid and to form an opinion on whether to accept or reject an offer made under the bid; and
- it may help Shareholders to avoid being locked in as a minority and may prevent a bidder acquiring control of the Company without payment of an adequate premium for control.

Potential disadvantages for Shareholders include:

- bidders who are only prepared to make a proportional bid for securities in the Company may be deterred from making such a bid; and
- Shareholders may lose an opportunity to sell some of their Shares at a premium; and
- the likelihood of a proportional takeover bid succeeding may be reduced.

The Company is not aware of any potential advantages or disadvantages for the Directors, except in their capacity as Shareholders.

The Directors do not believe the above or any other possible disadvantages outweigh the potential advantages of inserting Rule 37 into the Constitution.

*Present acquisition proposals*

As at the date of this Notice, no Director is aware of any current proposal by any person to acquire, or to increase the extent of, a substantial interest in the Company or to announce a takeover offer for Shares in the Company.

***Directors' Recommendation***

*The Board unanimously recommends that Shareholders vote in favour of Resolution 6.*

## Glossary

<b>Annual Report</b>	the Company's 2014 Annual Report
<b>ASX</b>	ASX Limited (ACN 008 624 691)
<b>Board</b>	the board of Directors
<b>Business Day</b>	a trading day on the financial market operated by ASX
<b>Company (or Navarre)</b>	Navarre Minerals Limited (ACN 125 140 105)
<b>Constitution</b>	the constitution of the Company
<b>Corporations Act</b>	Corporations Act 2001 (Cth)
<b>Closely Related Party</b>	in respect of a member of Key Management Personnel, certain family members and dependants of the member and companies controlled by the member, as defined in section 9 of the Corporations Act
<b>Director</b>	a director of the Company
<b>Explanatory Statement</b>	this explanatory statement
<b>Key Management Personnel</b>	has the meaning given to that term in the accounting standards and broadly includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise)
<b>Listing Rules</b>	the Listing Rules of ASX
<b>Meeting</b>	the Annual General Meeting of the Company to be held on 21 November 2014 at 11:00am (Melbourne time)
<b>Non-Executive Directors</b>	the Company's non-executive Directors, being Mr John Dorward, Mr Colin Naylor and Mr Kevin Wilson
<b>Notice</b>	the Notice of Annual General Meeting accompanying this Explanatory Statement
<b>Option</b>	an option issued to subscribe for a Share
<b>Option Plan</b>	the Navarre Minerals Limited Option Plan
<b>Remuneration Report</b>	contained in the Director's Report section of the Annual Report
<b>Resolution</b>	a resolution contained in the Notice
<b>Share</b>	a fully paid ordinary share in the capital of the Company
<b>Shareholder (or member)</b>	a registered member of the Company
<b>VWAP</b>	the volume weighted average price of the Company's shares



#### All Correspondence to:

- ✉ **By Mail** Boardroom Pty Limited  
GPO Box 3993  
Sydney NSW 2001 Australia
- Level 7, 207 Kent Street,  
Sydney NSW 2000 Australia
- 📠 **By Fax:** +61 2 9290 9655
- 💻 **Online:** www.boardroomlimited.com.au
- ☎ **By Phone:** (within Australia) 1300 737 760  
(outside Australia) +61 2 9290 9600

## YOUR VOTE IS IMPORTANT

For your vote to be effective it must be recorded **before 11.00am AEDT on Wednesday 19 November 2014.**

### 🖥 TO VOTE ONLINE

- STEP 1: VISIT** [www.votingonline.com.au/navarreagm2014](http://www.votingonline.com.au/navarreagm2014)
- STEP 2: Enter your holding/investment type:**
- STEP 3: Enter your Reference Number:**
- STEP 4: Enter your VAC:**

**PLEASE NOTE:** For security reasons it is important you keep the above information confidential.

### 📱 BY SMARTPHONE



Scan QR Code using smartphone  
QR Reader App

### TO VOTE BY COMPLETING THE PROXY FORM

#### STEP 1 APPOINTMENT OF PROXY

Indicate who you want to appoint as your Proxy.

If you wish to appoint the Chair of the Meeting as your proxy, mark the box. If you wish to appoint someone other than the Chair of the Meeting as your proxy please write the full name of that individual or body corporate. If you leave this section blank, or your named proxy does not attend the meeting, the Chair of the Meeting will be your proxy. A proxy need not be a security holder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

#### Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by contacting the company's securities registry or you may copy this form.

To appoint a second proxy you must:

- complete two Proxy Forms. On each Proxy Form state the percentage of your voting rights or the number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- return both forms together in the same envelope.

#### STEP 2 VOTING DIRECTIONS TO YOUR PROXY

To direct your proxy how to vote, mark one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of securities are to be voted on any item by inserting the percentage or number that you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item for all your securities your vote on that item will be invalid.

#### Proxy which is a Body Corporate

Where a body corporate is appointed as your proxy, the representative of that body corporate attending the meeting must have provided an "Appointment of Corporate Representative" prior to admission. An Appointment of Corporate Representative form can be obtained from the company's securities registry.

#### STEP 3 SIGN THE FORM

The form **must** be signed as follows:

**Individual:** This form is to be signed by the securityholder.

**Joint Holding:** where the holding is in more than one name, all the securityholders should sign.

**Power of Attorney:** to sign under a Power of Attorney, you must have already lodged it with the registry. Alternatively, attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** this form must be signed by a Director jointly with either another Director or a Company Secretary. Where the company has a Sole Director who is also the Sole Company Secretary, this form should be signed by that person. **Please indicate the office held by signing in the appropriate place.**

#### STEP 4 LODGEMENT

Proxy forms (and any Power of Attorney under which it is signed) must be received no later than 48 hours before the commencement of the meeting, therefore by **11.00am AEDT on Wednesday, 19 November 2014.** Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy forms may be lodged using the enclosed Reply Paid Envelope or:

- 🖥 **Online** [www.votingonline.com.au/navarreagm2014](http://www.votingonline.com.au/navarreagm2014)
- 📠 **By Fax** + 61 2 9290 9655
- ✉ **By Mail** Boardroom Pty Limited  
GPO Box 3993,  
Sydney NSW 2001 Australia
- 👤 **In Person** Level 7, 207 Kent Street,  
Sydney NSW 2000 Australia

#### Attending the Meeting

If you wish to attend the meeting please bring this form with you to assist registration.

# Navarre Minerals Limited

ABN 66 125 140 105

## Your Address

This is your address as it appears on the company's share register. If this is incorrect, please mark the box with an "X" and make the correction in the space to the left. Securityholders sponsored by a broker should advise their broker of any changes. **Please note, you cannot change ownership of your securities using this form.**

## PROXY FORM

### STEP 1 APPOINT A PROXY

I/We being a member/s of **Navarre Minerals Limited** (Company) and entitled to attend and vote hereby appoint:

the **Chair of the Meeting (mark box)**

**OR** if you are **NOT** appointing the Chair of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered shareholder) you are appointing as your proxy below

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chair of the Meeting as my/our proxy at the Annual General Meeting of the Company to be held at the **RSM Bird Cameron Partners, Level 21, 55 Collins Street, Melbourne on Friday, 21 November, 2014 at 11.00am AEDT** and at any adjournment of that meeting, to act on my/our behalf and to vote in accordance with the following directions or if no directions have been given, as the proxy sees fit.

Chair of the Meeting authorised to exercise undirected proxies on remuneration related matters: If I/we have appointed the Chair of the Meeting as my/our proxy or the Chair of the Meeting becomes my/our proxy by default and I/we have not directed my/our proxy how to vote in respect of Resolutions 2 and 3, I/we expressly authorise the Chair of the Meeting to exercise my/our proxy in respect of these resolutions even though resolutions 2 and 3 are connected with the remuneration of a member of key management personnel for Navarre Minerals Limited.

The Chair of the Meeting will vote all undirected proxies in favour of all Items of business (including Resolutions 2 and 3). If you wish to appoint the Chair of the Meeting as your proxy with a direction to vote against, or to abstain from voting on an item, you must provide a direction by marking the 'Against' or 'Abstain' box opposite that resolution.

### STEP 2 VOTING DIRECTIONS

\* If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your vote will not be counted in calculating the required majority if a poll is called.

		For	Against	Abstain*
Resolution 1	Re-appointment of Mr John Dorward as Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Approval of issue of 2014 Options to Mr Geoff McDermott	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Approval of share issue to refresh the Company's 15% placement capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Special Resolutions</b>				
Resolution 5	Approval of additional capacity to issue ordinary shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Adoption of proportional takeover approval rules	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

### STEP 3 SIGNATURE OF SHAREHOLDERS

This form must be signed to enable your directions to be implemented.

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director / Company Secretary

Contact Name.....

Contact Daytime Telephone.....

Date / / 2014