



NAVARRE MINERALS LIMITED

ABN 66 125 140 105

**Half-Year Financial Report and Directors' Report
31 December 2018**

Navarre Minerals Limited

ABN 66 125 140 105

Corporate Directory

Company

Navarre Minerals Limited
ABN 66 125 140 105
and subsidiary
Black Range Metals Pty Ltd
ABN 31 158 123 687

Directors

Kevin Wilson (Chairman)
Geoff McDermott (Managing Director)
John Dorward
Colin Naylor

Company Secretary

Colin Naylor

Registered Office & Principal Operations Office

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Email info@navarre.com.au
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Share Registrar

Boardroom Pty Limited
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Telephone +61 (2) 9290 9600
Facsimile +61 (3) 9279 0664

Auditor

RSM Australia Partners
Level 21,
55 Collins Street
Melbourne Victoria 3000 Australia

Stock Exchange Listing

Australian Securities Exchange
ASX Limited
Level 4, North Tower, Rialto
525 Collins Street
Melbourne Victoria 3000 Australia
ASX Code: NML

Incorporated 30 April 2007

Victoria, Australia

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FORWARD LOOKING STATEMENTS

This Financial Report includes certain forward-looking statements that have been based on current expectations about future acts, events and circumstances. These forward-looking statements are, however, subject to risks, uncertainties and assumptions that could cause those acts, events and circumstances to differ materially from the expectations described in such forward-looking statements.

These factors include, among other things, commercial and other risks associated with the meeting of objectives and other investment considerations, as well as other matters not yet known to the Company or not currently considered material by the Company.

Navarre Minerals Limited

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DIRECTORS' REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

The directors present their report together with the consolidated financial statements of the group comprising Navarre Minerals Limited (variously the "Company", "Navarre" and "Navarre Minerals") and its subsidiary (together, the "Group" and "Consolidated Entity") for the half-year ended 31 December 2018.

1. DIRECTORS

The names and details of the Company's directors in office during the half-year ended 31 December 2018 and at the date of this report are as follows. The directors were in office during the entire period unless otherwise stated.

Kevin Wilson	<i>Non-Executive Chairman</i> (Independent)
Geoff McDermott	<i>Managing Director</i>
John Dorward	<i>Non-Executive Director</i> (Independent)
Colin Naylor	<i>Executive Director</i> (Non-Independent)

2. REVIEW OF OPERATIONS

Financial Results

The loss after tax of the Company for the half-year was \$472,661 (31 December 2017: loss after tax of \$599,080).

Summary of Operations

The Group maintained an active exploration program during the 6 months ending 31 December 2018 with the objective of identifying economic gold mineral deposits.

(a) Stawell Corridor Gold Project (ELs 5476, 5480, 6525, 6526, 6527, 6528, 6702, 6745, ELAs 6530 & 6843)

The Stawell Corridor Gold Project comprises eight 100%-owned and granted exploration licences that extend 60 kilometres south, on-trend from the recently re-opened 4Moz Magdala Gold Mine in Stawell, operated by Melbourne-based private equity firm Arete Capital Partners. Approximately 6 million ounces of historical and modern gold production has occurred from Ararat and Stawell.

Primary gold mineralisation within the Stawell Gold Corridor occurs proximal to the margins of large basalt dome structures. The basalt structures are rigid and do not deform as much as the surrounding sediments. Deformation of these rocks leads to the creation of voids allowing quartz veining and gold mineralisation to form around the basalt margins.

The focus of the Group's exploration activities are its 100%-owned Irvine and Langi Logan gold projects located 20 and 40 kilometres, respectively, south of the Magdala Gold Mine (Figures 1 & 2). The Irvine and Langi Logan gold projects account for two of seven basalt dome targets contained within Navarre's dominant land position (346km²) along the prospective Stawell Gold Corridor (Figure 2).

Navarre is advancing its recent gold discoveries at the Irvine Gold Project (Resolution and Adventure lodes) and the Langi Logan Gold Project towards a potential multi-million-ounce gold inventory. Based on the initial high-grade gold drilling successes, exploration has now been prioritised for shallow drilling at the Langi Logan Gold Project in order to scope its potential contribution toward a maiden mineral resource estimate for the Stawell Gold Corridor.

Ararat (EL 5476)

During the half-year, the Group embarked on its 2018-19 drilling season at its flagship Irvine Gold Project with a targeted reverse circulation (RC) drilling program at Adventure Lode designed to expand the gold potential of a 1.7km long quartz reef structure to a vertical depth of approximately 120 metres below surface (Figure 3). The RC drilling program followed several phases of air-core (AC) drilling in 2017 and 2018. This AC drilling resulted in the discovery of significant oxide gold mineralisation from surface to an average depth of 50m, within a quartz-hosted shear structure.

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DIRECTORS' REPORT

FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

The RC drilling, comprising 33 holes in 4,146m of drilling, yielded multiple gold intersections within four higher grade gold shoots (Figure 4). Based on interpretation of the RC drill results, approximately 1.3km of the 1.7km quartz reef structure hosts potentially economic levels of gold mineralisation. The Adventure Lode structure remains open at depth and is interpreted to extend to great depths on the eastern flank of the Irvine basalt, as does the Magdala gold deposit which has been mined to 1.6kms below surface (Figure 5).

Highlight results from the RC drilling included (see ASX announcement, 29 January 2019):

- **6m @ 4.2 g/t Au** from 67m, including **4m @ 6.1 g/t Au** (IRC013)
- **5m @ 4.0 g/t Au** from 41m from within a broader intersection of:
 - **11m @ 2.1 g/t Au** from 38m (IRC004)
- **3m @ 5.2 g/t Au** from 85m from within a broader intersection of:
 - **11m @ 2.5 g/t Au** from 78m (IRC011)
- **4m @ 3.7 g/t Au** from 96m (IRC014)
- **4m @ 3.6 g/t Au** from 14m from within a broader intersection of:
 - **8m @ 2.1 g/t Au** from 12m (IRC015)
- **9m @ 2.6 g/t Au** from 130m, including **1m @ 6.1 g/t Au** (IRC028)

The results support Navarre's view that the Irvine Gold Project has the potential to be a new large-scale high-quality shear-hosted gold system similar to Stawell's Magdala Gold Mine.

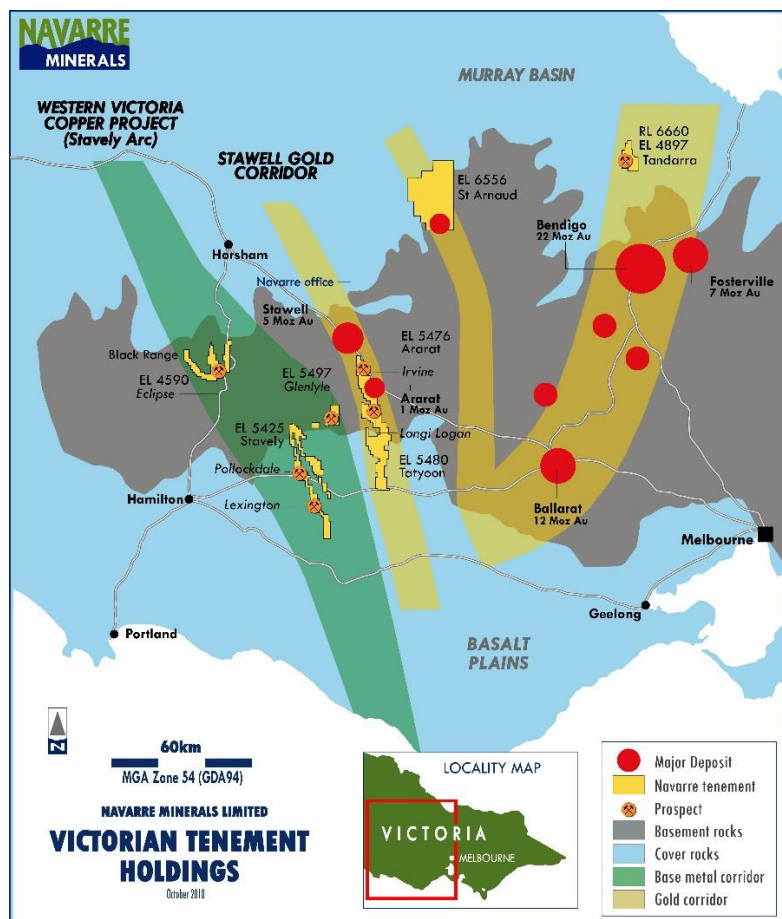


Figure 1: Location of Navarre's Victorian mineral projects

DIRECTORS' REPORT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

2. REVIEW OF OPERATIONS (cont.)

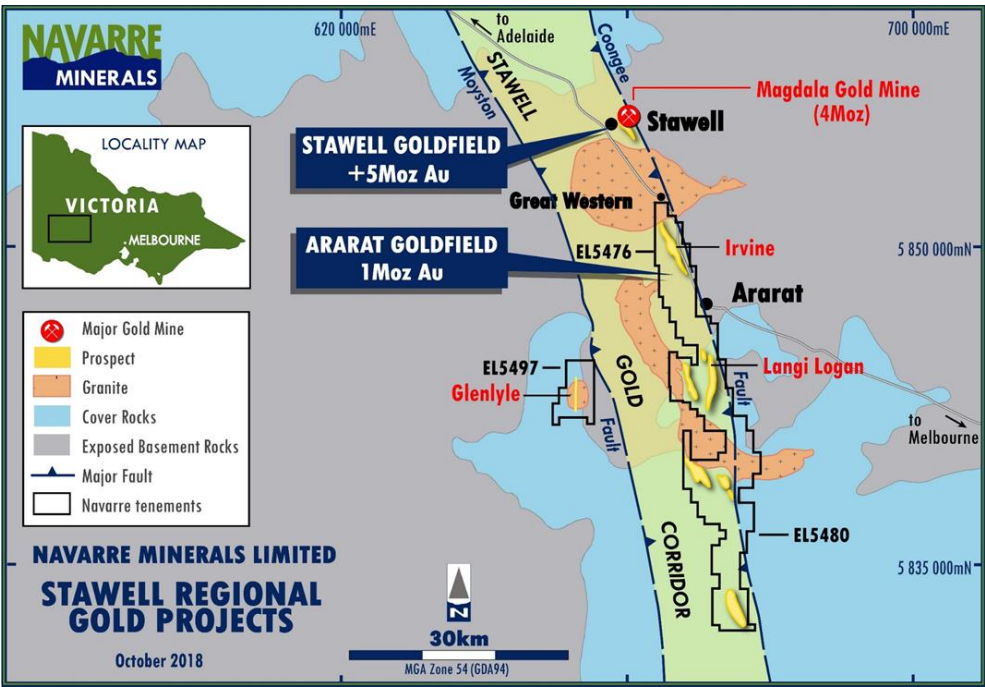


Figure 2: Stawell Corridor Gold Project location map

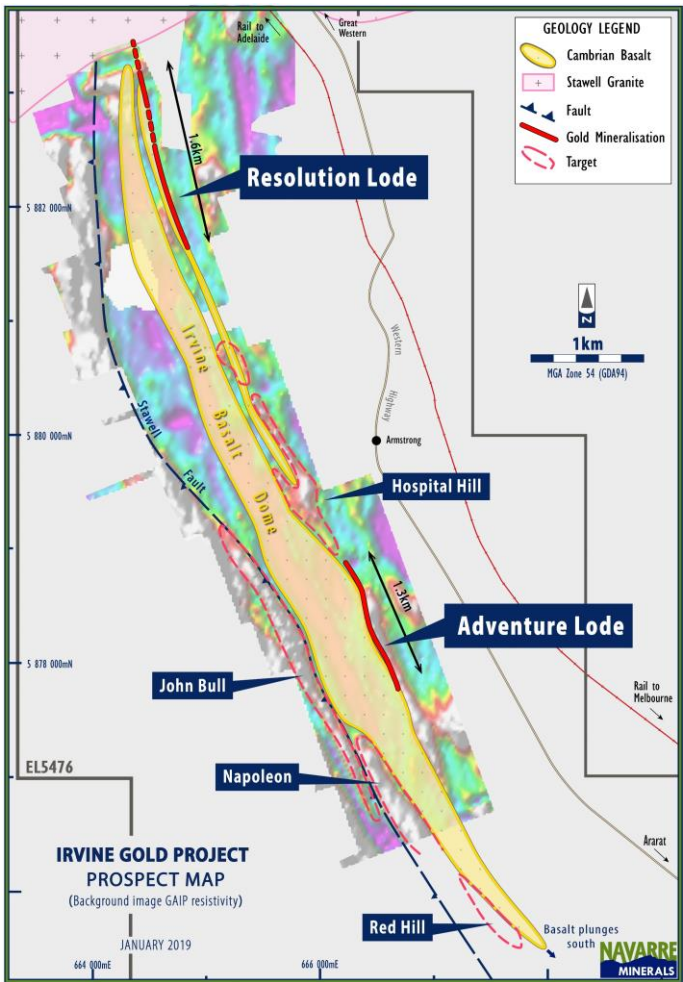


Figure 3: Irvine Gold Project map showing discovery areas, prospects and targets

DIRECTORS' REPORT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

2. REVIEW OF OPERATIONS (cont.)

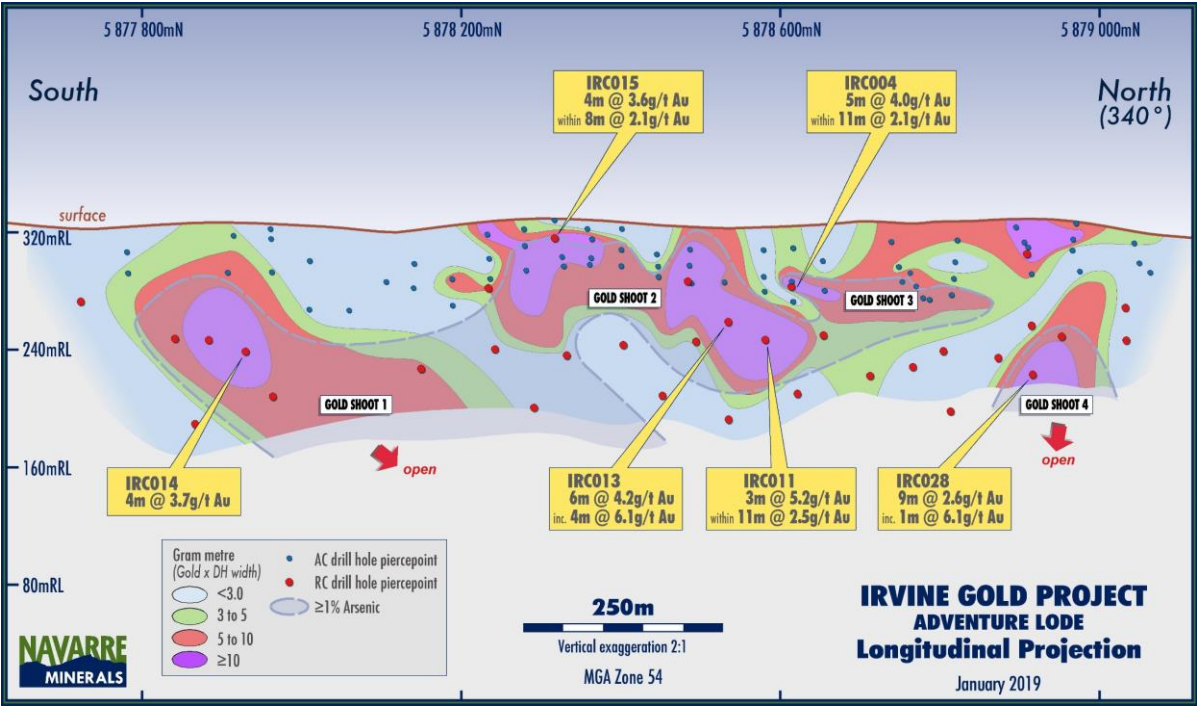


Figure 4: Longitudinal Projection interpretation of Adventure Lode showing location of four gold shoots

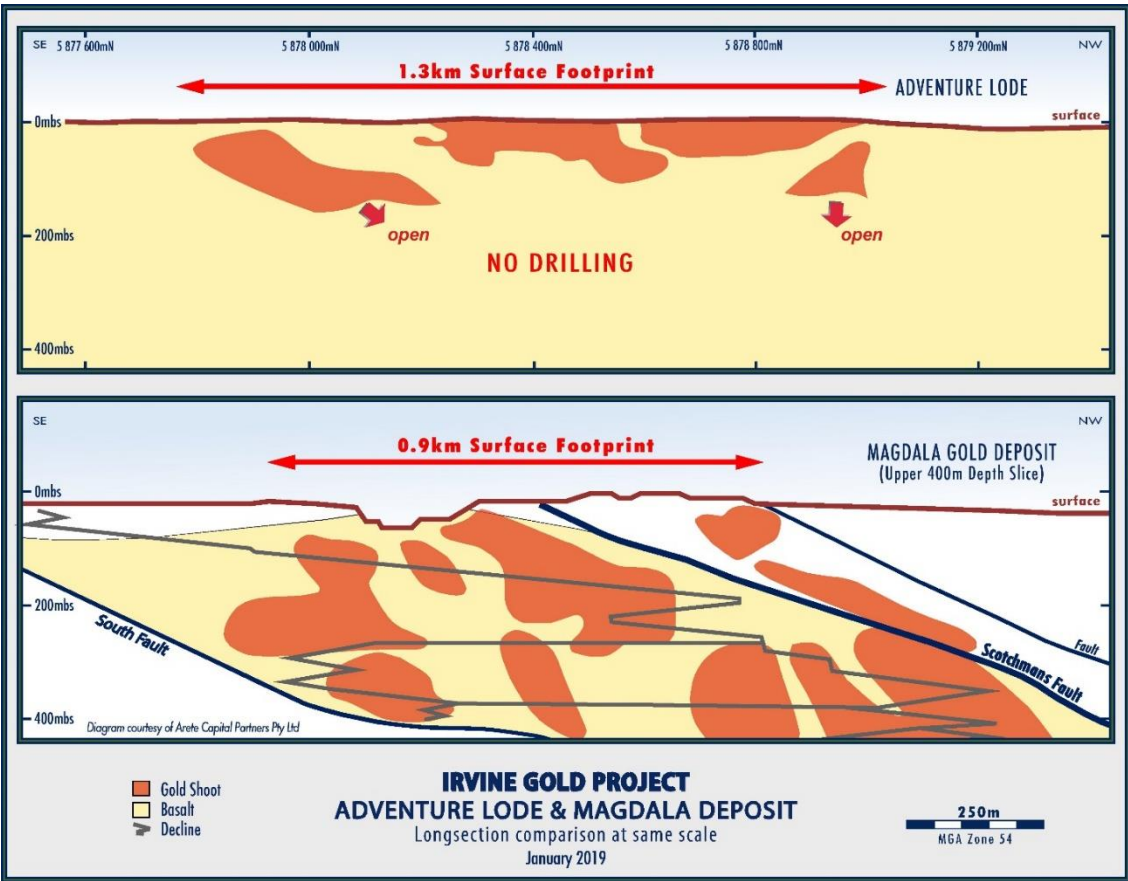


Figure 5: Long-section comparison of Adventure Lode and the surface 400m depth slice of the Magdala gold deposit (at same scale)

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DIRECTORS' REPORT

FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

2. REVIEW OF OPERATIONS (cont.)

Navarre's exploration model is based on a mineralised system of multiple ore shoots (with each shoot up to 300m in diameter) separated by lower-grade gold mineralisation, in the same style as the Magdala gold deposit (Figure 5). These ore shoots occur within 50m of the basalt contact and follow a 'lode channel' beneath a surface gold footprint. Navarre has discovered the lode channel at Adventure and Resolution lodes and considers the pattern of gold distribution is similar to the ore shoot geometry at the Magdala gold deposit (Figure 5).

Langi Logan - Tatyoon (ELs 5480, 6702, 6745) (Navarre 100%)

Langi Logan Gold Project

The Langi Logan Gold Project is the next major basalt dome target south of the flagship Irvine Gold Project (Figure 2).

Navarre commenced its maiden first-pass AC drilling at Langi Logan in November 2018 (ASX announcement, 20 November 2018), and has subsequently delivered multiple high-grade gold intersections, with individual assays up to 33.6 g/t gold (see ASX announcements of 11 December 2018, 30 January 2019 & 12 February 2019).

Highlight results from the AC drilling include (See Figures 6 & 7):

- **2m @ 19.4 g/t Au** from 43m in LLA031, including:
 - **1m @ 33.6 g/t Au**
- **4m @ 1.7 g/t Au** from 68m in LLA030, including
 - **1m @ 4.5 g/t Au**
- **33m @ 2.9 g/t Au** from 66m to end of hole* in LLA014, including:
 - **11m @ 5.1 g/t Au** from 75m, including:
 - **1m @ 15.8 g/t Au**
 - **1m @ 9.5 g/t Au**
 - **4m @ 3.2 g/t Au** from 66m, including
 - **1m @ 7.4 g/t Au**
 - **5m @ 3.5 g/t Au** from 94m
- **1m @ 7.6 g/t Au** from 37m in LLA001
- **16m @ 1.2 g/t Au** from 86m in LLA024, including:
 - **7m @ 2.4 g/t Au** from 95m, including:
 - **1m @ 11.1 g/t Au**
- **2m @ 4.3g/t Au*** from 48m in LLA023, including:
 - **1m @ 8.1g/t Au**

*** does not test full extent of gold mineralisation**

The results support Navarre's view that Langi Logan has the potential to be a new large-scale, high quality shear-hosted gold system similar to Stawell's recently reopened 4Moz Magdala Gold Mine.

The drilling program is ongoing.

DIRECTORS' REPORT

FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

2. REVIEW OF OPERATIONS (cont.)

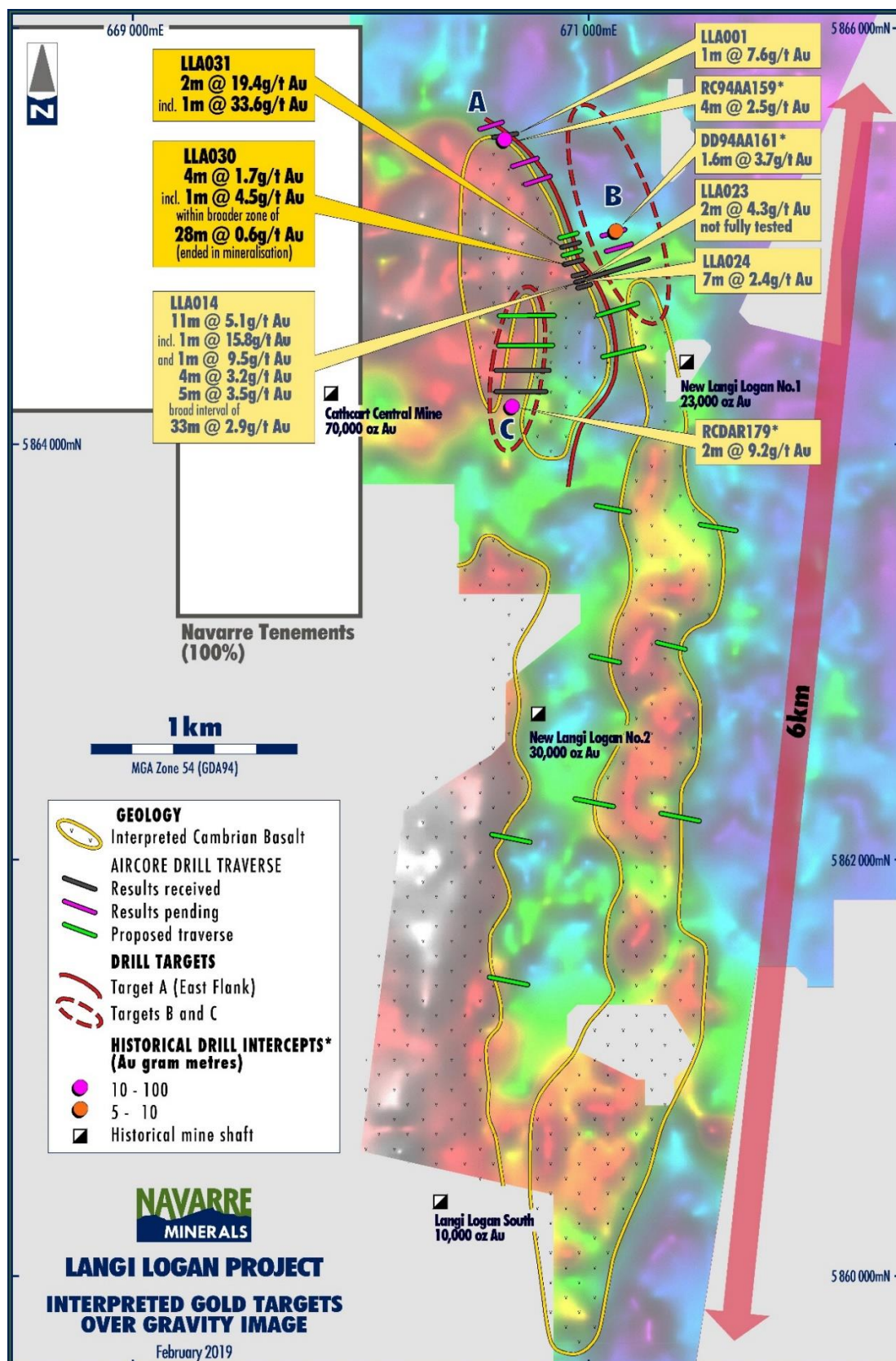


Figure 6: Gravity image showing recent AC drill results, geological interpretation and priority target areas.

DIRECTORS' REPORT

FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

2. REVIEW OF OPERATIONS (cont.)

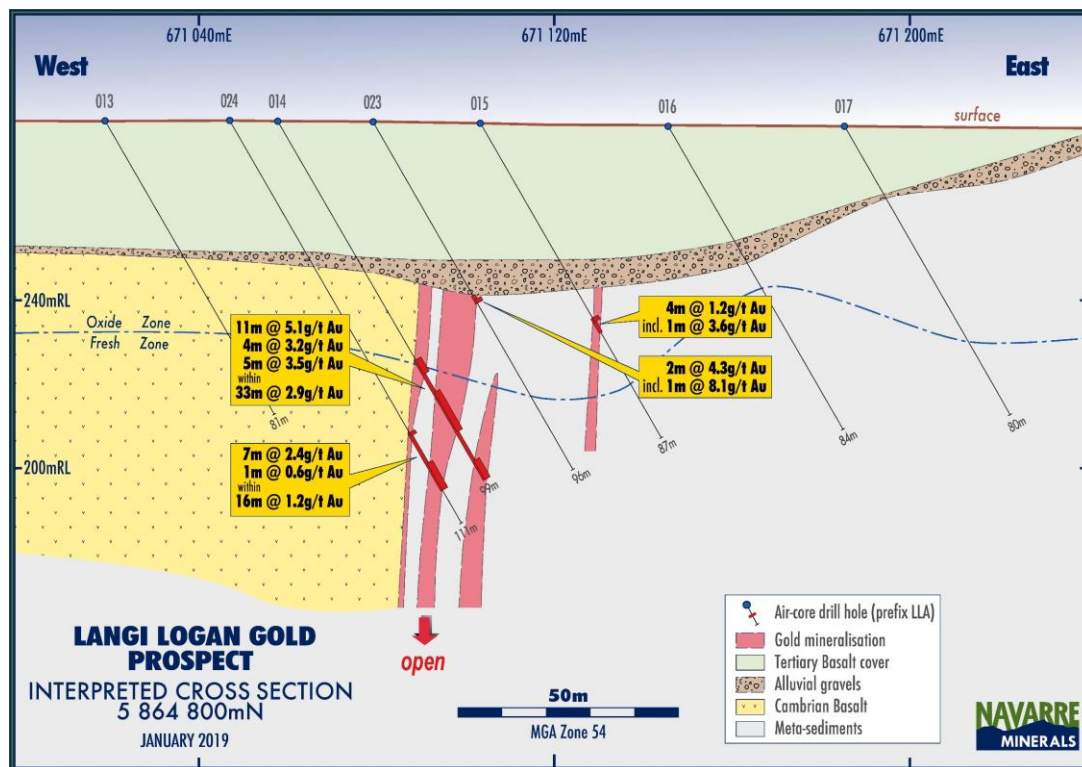


Figure 7: Langi Logan Target A interpreted cross-section through LLA014

(b) Tandarra Gold Project (EL 4897 – RL 6660) (Navarre 49%)

The Tandarra Gold Project is a gold discovery under shallow cover, located 40kms north of the 22 million ounce Bendigo Goldfield and approximately 60kms northwest from Kirkland Lake Gold's world class Fosterville Gold Mine (Figures 1 & 8). It is an advanced exploration project and a Bendigo analogue with confirmed high-grades of gold associated with several quartz reef structures.

Navarre believes Tandarra and the adjoining Four Eagles Project, owned jointly by Hancock Prospecting Pty Ltd and Catalyst Metals Limited (ASX: CYL) (**Catalyst**), are most likely connected, and its combined footprint has similar dimensions to the nearby multi-million-ounce goldfields of Fosterville and Bendigo where gold has been mined to depths of over 1,000m (Figure 8).

During the half-year, Navarre confirmed that Catalyst had satisfied all conditions, including an expenditure commitment of \$3 million, to earn a 51% equity interest in the Tandarra Gold Project in accordance with a Heads of Agreement signed in September 2014 (by Catalyst's subsidiary Kite Operations Pty Ltd).

In December 2018 the two companies announced they had reached agreement on the terms of the Tandarra Joint Venture Agreement (JVA) and had signed the formal JVA together with a Royalty Deed (ASX announcement, 27 December 2018).

Following the signing of the JVA, the Parties met in February 2019 to finalise the exploration program and budget for the remainder of the financial year. Drilling re-commenced in March 2019. Catalyst is the manager of the Joint Venture and exploration is funded in proportion to ownership levels.

Also, during the half-year, a Retention Licence (RL006660) for the Tandarra Gold Project was granted by Victorian Department of Economic Development, Jobs, Transport and Resources. The Retention Licence replaces the previous Exploration Licence (EL 4897) and provides the JV partners with security of tenure over the Tandarra Project area for a period of 10 years.

**DIRECTORS' REPORT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2018**

2. REVIEW OF OPERATIONS (cont.)

Subsequent to the half-year, results from diamond drill hole DDT018 were released, confirming the discovery of two deeper gold-bearing quartz reef horizons below existing shallow gold mineralisation on the Tomorrow prospect (Figure 9). Significant high-grade gold with individual assays up to 32.2 g/t gold were intersected. Highlight results include (see CYL ASX release of 26 February 2019):

- **2.0m @ 17.4 g/t Au, including 1.0m @ 32.2 g/t Au from 332m (DDT018)**
- **16.0m @ 1.8 g/t Au, including 1.0m @ 7.3 g/t Au from 148m (DDT018)**

Further information on the Tandarra Gold Project is provided in Catalyst's ASX announcements of 27 December 2018, 31 January 2019 and 26 February 2019).

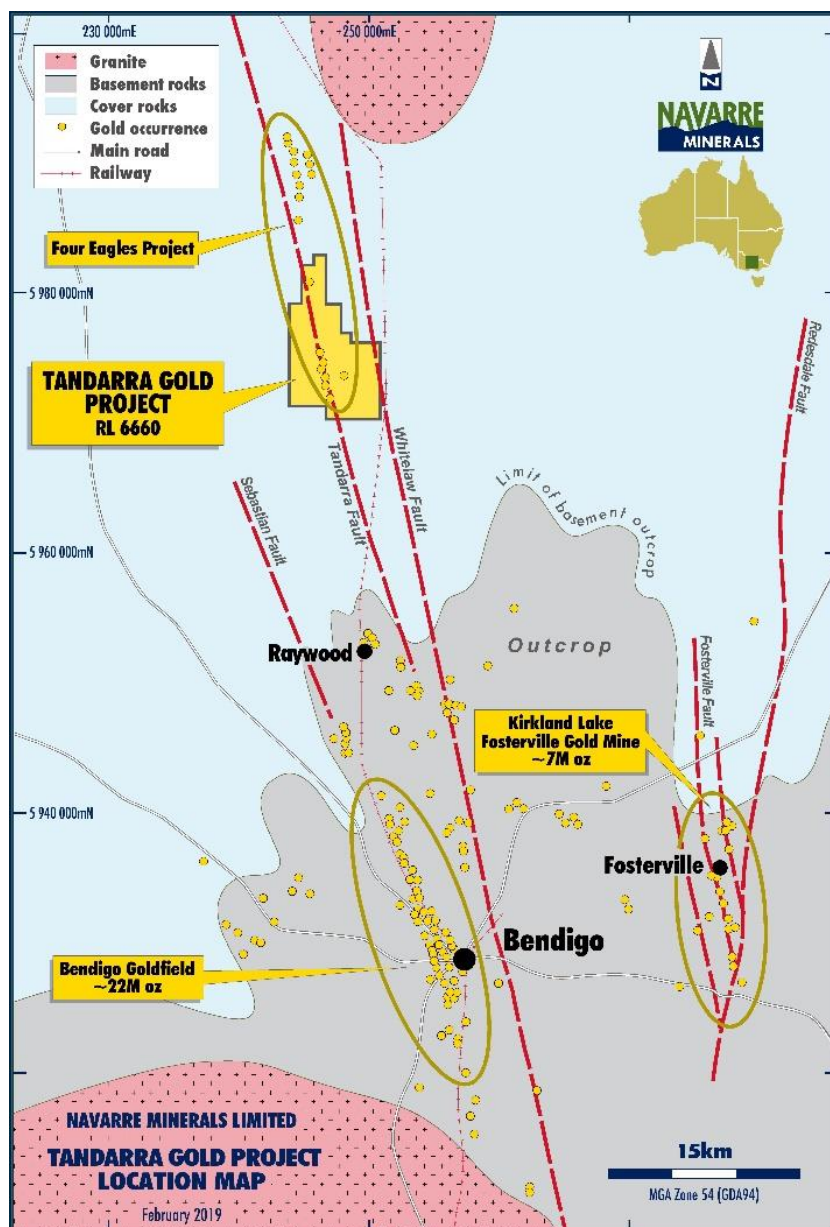


Figure 8: Tandarra Gold Project location map

DIRECTORS' REPORT

FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

2. REVIEW OF OPERATIONS (cont.)

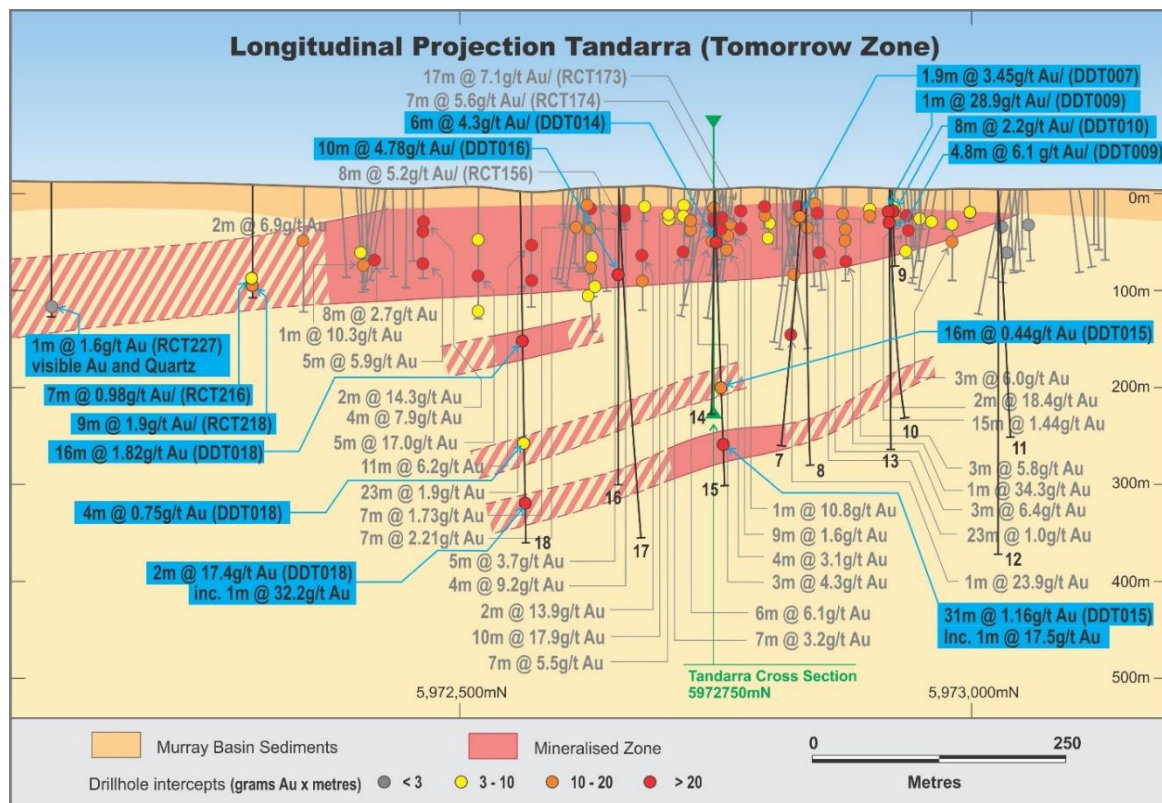


Figure 9: Longitudinal Projection of Tomorrow prospect showing Diamond and RC Drilling results (diagram courtesy of Catalyst Metals Limited).

(c) St Arnaud Gold Project (EL 6556 & ELA 6819)

During the half year Navarre completed a shallow first-pass AC drilling program over three priority targets (two outcropping quartz reef targets and one gossanous shear zone) totalling 1,480 metres across 19 holes at the St Arnaud East prospect, within the East Field Trend of the St Arnaud Gold Project (Figures 1, 10 & 11).

Drilling at St Arnaud was testing for early indications of a potential high-grade quartz vein gold system of similar style to Kirkland Lake Gold Ltd.'s world-class 7 million-ounce Fosterville Gold Project located 130km to the east. It successfully delivered multiple encouraging gold and silver intersections within a broad arsenic halo that exhibit strong structural similarities to the very high-grade Swan and Eagle zones at the Fosterville Gold Mine.

The best gold result was returned from the South Reef and was **6m @ 2.5 g/t Au** from 80m (SAC098), including **1m @ 5.4 g/t Au** within a broader interval of **25m @ 0.9 g/t Au** starting from 63m. The best silver result from the North Reef was **1m @ 81.0 g/t Ag** from 81m (SAC082) within a broader interval of **8m @ 19.8 g/t Ag** (see NML ASX announcement of 5 February 2019).

The program also demonstrated the potential for the under-explored East Field Trend of the St Arnaud Goldfield to host economic mineralisation. This mineralisation remains open at depth and Navarre considers this an excellent early stage exploration opportunity that warrants further drilling. Navarre is planning for a deeper, follow-up drilling program targeting the fresh basement rocks beneath the oxide zone.

DIRECTORS' REPORT

FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

2. REVIEW OF OPERATIONS (cont.)

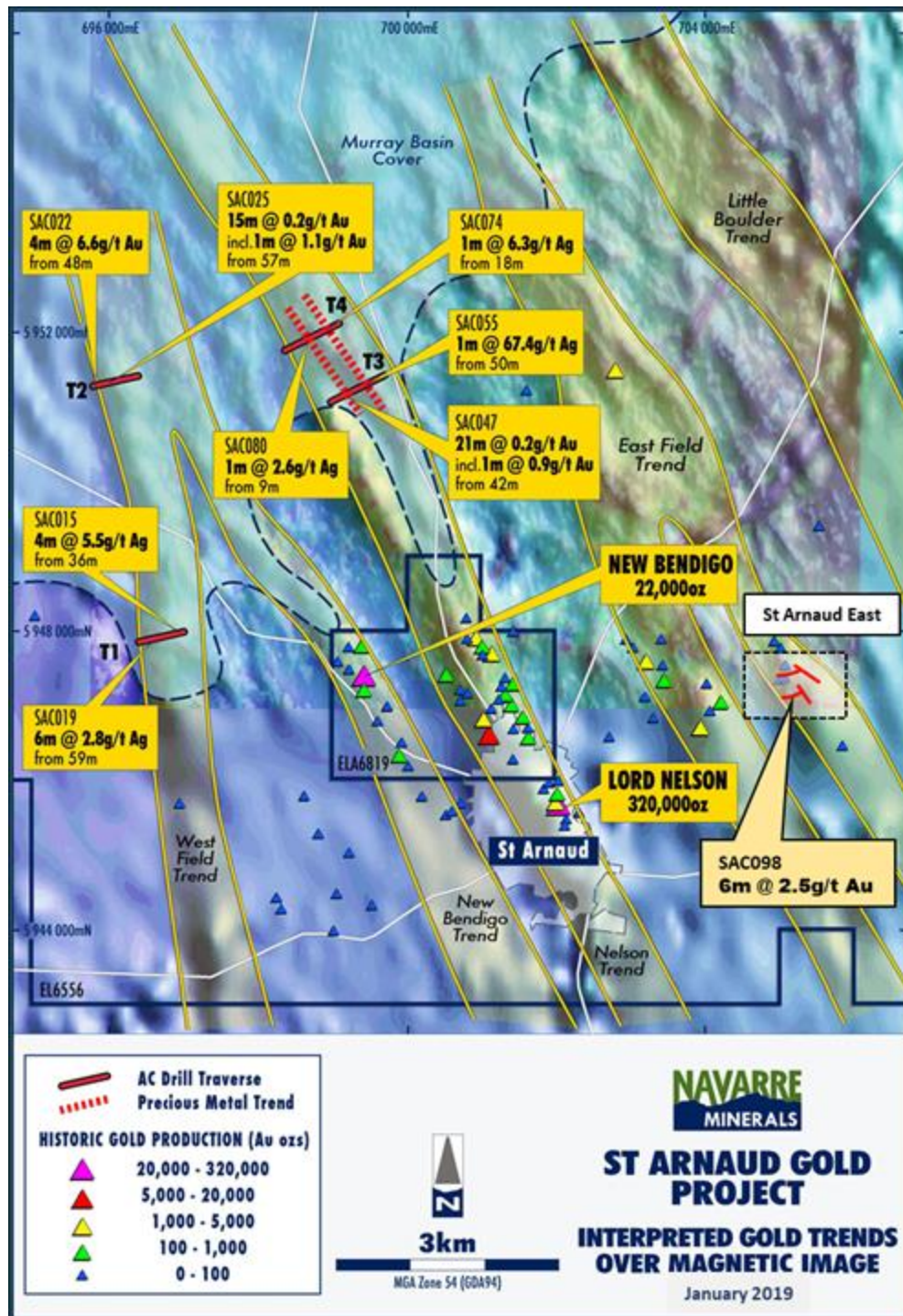


Figure 10: St Arnaud Gold Project map showing historic gold production, interpreted mineralised trends, significant Navarre 2018 drill intercepts (see ASX release 30 July 2018) and location of St Arnaud East prospect (ELA6819 is an exploration licence application lodged recently by Navarre).

DIRECTORS' REPORT

FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

2. REVIEW OF OPERATIONS (cont.)

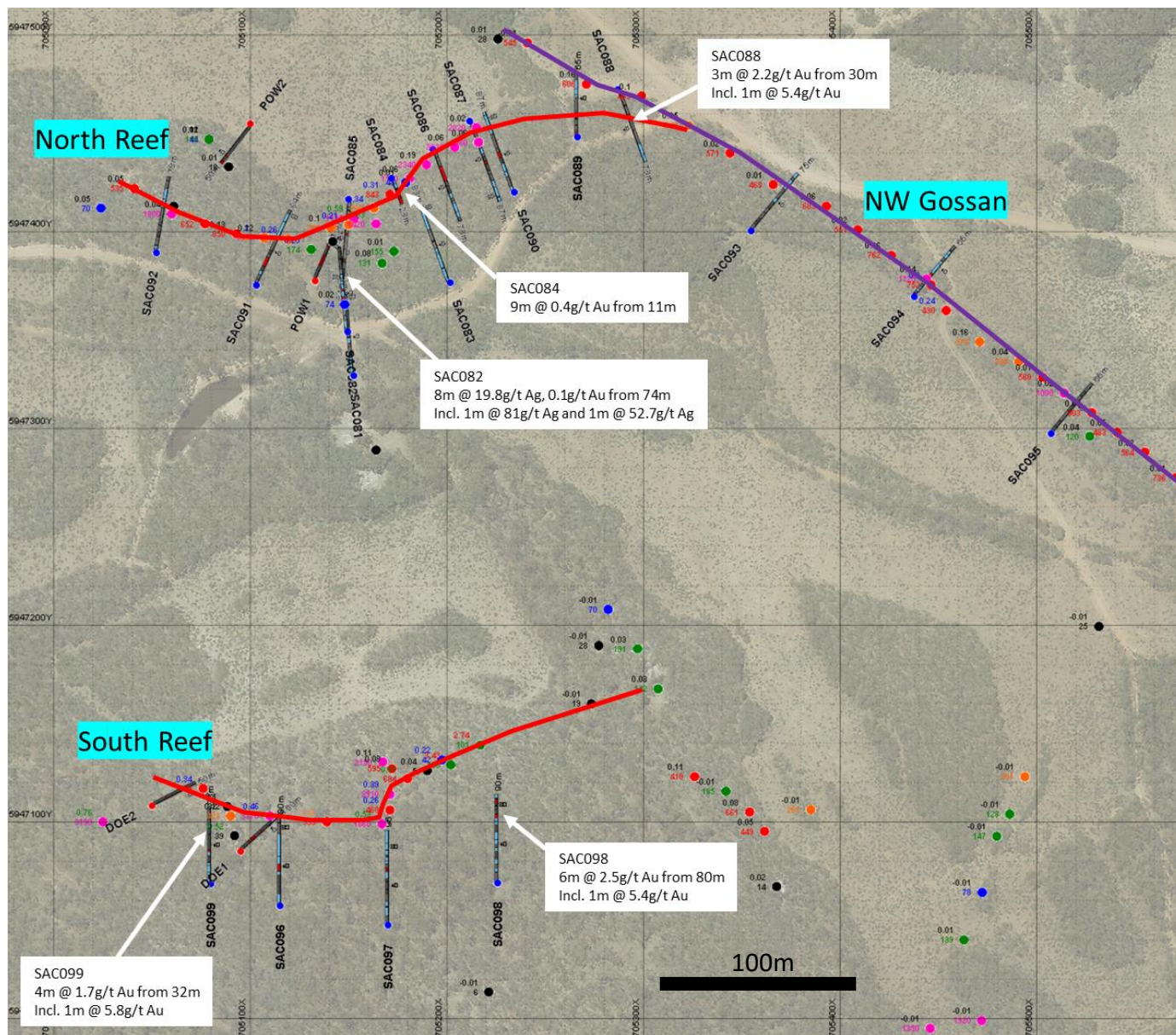


Figure 11: Plan view of St Arnaud East targets showing location of first-pass drilling

**DIRECTORS' REPORT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2018**

2. REVIEW OF OPERATIONS (cont.)

(d) Western Victoria Copper Project (ELs 4590, 5425 & 5497)

Glenlyle Project (EL 5497)

Subsequent to 31 December 2018, at the 100%-owned Glenlyle Project, the Company completed a 1,500m AC drilling program designed to follow-up the Company's 2018 discovery of significant epithermal-style gold and silver mineralisation situated above an interpreted deeper porphyry target (see NML ASX releases of 23 April 2018 & 25 February 2019) (Figures 1 & 2). Assay results for this follow-up drilling program are yet to be received.

Navarre's 2018 drilling successfully intersected broad zones of silver mineralisation containing several discrete veins of gold mineralisation with anomalous lead and zinc. The best intersection was **46m @ 8.1 g/t silver, including 1m @ 252 g/t silver, 3.1 g/t gold, 0.3% lead and 0.3% zinc** and was intersected at the bottom of hole in GAC030 (Figure 12). This intersection occurred within a broad envelope of anomalous silver assaying between 1.2 and 8.1 g/t silver.

The Glenlyle Project is located approximately 25 kilometres north of Stavelly Minerals Limited's (ASX: SVY) Thursday's Gossan porphyry copper - gold project in the Stavelly Arc Volcanic Complex, where Stavelly Minerals has recently reported a significant breakthrough in its exploration drilling with the intersection of visible bornite mineralisation, considered a key indicator for the discovery of a large porphyry system (source: SVY's ASX release of 18 February 2019).

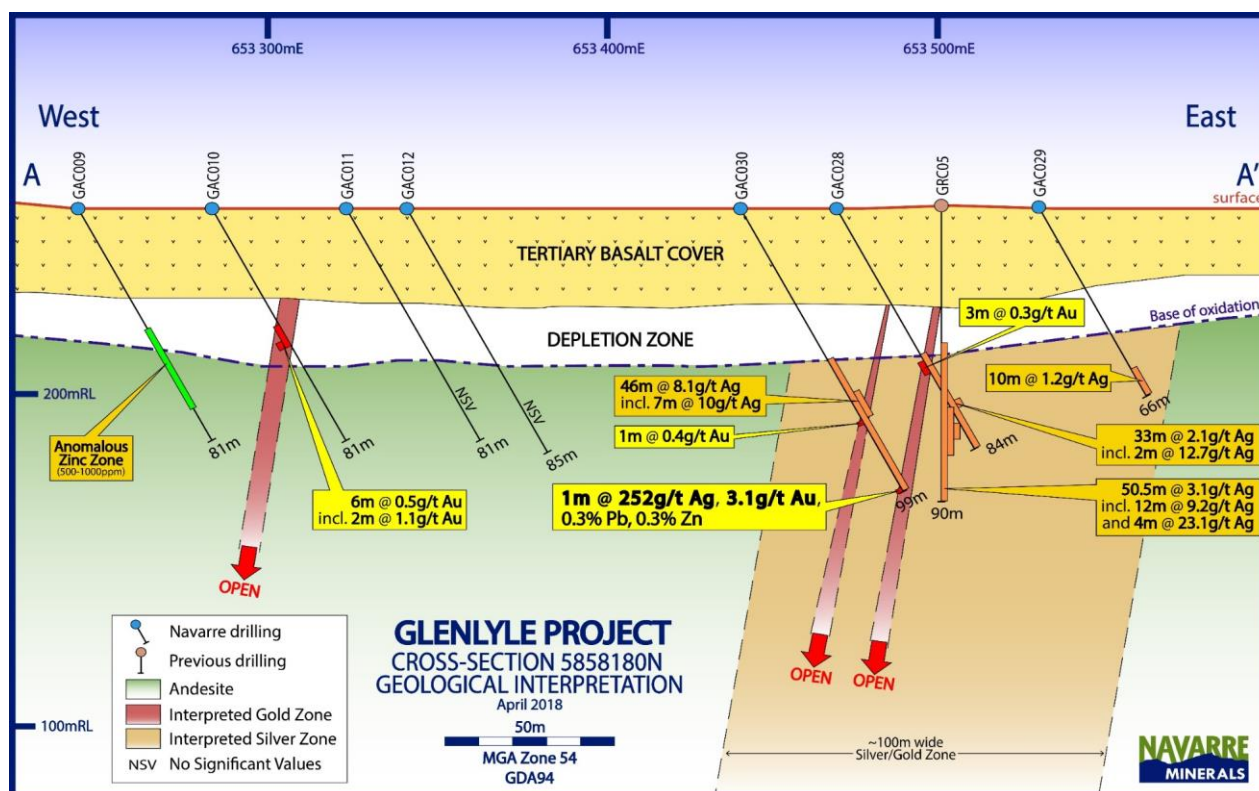


Figure 12: Cross-section 5,858,180N interpretation showing key drill intercepts, geology and alteration

Stavelly (EL 5425)

Navarre entered into an Earn-In and Joint Venture Agreement with Stavelly Minerals Limited (Stavelly) under which Stavelly may earn up to an 80% equity interest in EL 5425, which surrounds Stavelly's Stavelly Copper Project in western Victoria (Figure 1). Under the Agreement, Stavelly may earn up to an 80% interest in two stages by sole funding \$150,000 in exploration in the first two years to earn a 51% interest and, if Stavelly elects to proceed to the second earn-in stage, by sole funding an additional \$300,000 in exploration in the next three years to earn an additional 29% interest.

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DIRECTORS' REPORT

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2. REVIEW OF OPERATIONS (cont.)

During the period, Stavely completed an assessment of the exploration potential of regional targets contained within EL 5425. Of the four prospects reviewed, two (Lexington and Northern Intrusion prospects) were recommended for follow-up using a combination of soils and diamond drilling. Both prospects are considered to have porphyry copper-gold and epithermal gold potential (refer to Stavely ASX release of 25 January 2019). Stavely has indicated that it intends to drill one or both of the targets identified in the review.

Black Range (EL 4590)

There was no significant activity undertaken at the Black Range Project during the half-year.

(e) Significant changes in the state of affairs of the Group during the half-year

- (i) In August 2018, the Group received a cash reimbursement of \$401,600 (including GST) from the Victorian Government for exploration expenditure incurred at the Irvine Gold Project, following satisfactory completion of the third (and final) agreed milestone of the TARGET Minerals Exploration Initiative co-funding agreement.
- (ii) In November 2018, the Company received notification from the Victorian Department of Economic Development, Jobs, Transport and Resources (DEDJTR) that Retention Licence RL 006660 was granted for a ten-year term expiring 2 November 2028. This Retention Licence replaces existing Exploration Licence EL 4897 for the Tandarra Gold Project.
- (iii) In December 2018, the Company and earn-in partner for the Tandarra Gold Project, Catalyst Metals Limited (Catalyst), finalised and signed a Joint Venture (JV) agreement and Royalty Deed.
- (iv) During the half-year, the Company raised \$3,013,200 (before transaction costs) through capital raising initiatives, as detailed below (under the heading "Share Issues"). Proceeds from the capital raisings will be applied to future exploration and evaluation activities on the Company's Ararat Gold Project and other priority projects in Victoria and ongoing corporate expenses.

(f) Events subsequent to balance date

On 21 February 2019, the Company issued 2,100,000 unlisted options (exercise price \$0.12, expiry 21 February 2024) to senior staff of the Company under the terms of the Navarre Minerals Limited Option Plan.

3. OTHER MATTERS

Share Issues

In August 2018, Navarre raised \$1,699,000 (before transaction costs) from a share placement to sophisticated and professional investors, resulting in the issue of 33,980,000 ordinary shares at an issue price of \$0.05 per share.

In September 2018, Navarre raised \$1,314,200 (before transaction costs) from a Share Purchase Plan, resulting in the issue of 26,284,000 ordinary shares at an issue price of \$0.05 per share.

Share Options

Employee Options

No share options were issued by the Company to directors or employees of the Company during the half-year ended 31 December 2018. 125,000 unlisted employee share options in the Company expired on 31 December 2018.

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**DIRECTORS' REPORT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2018****3. OTHER MATTERS (cont.)****Auditor's Independence Declaration**

The directors have received the independence declaration from the auditor, RSM Australia Partners, set out on page 16.

Signed in accordance with a resolution of the Directors made pursuant to s298 (2) of the *Corporations Act 2001*.

On behalf of the Directors

G McDermott
Managing Director
Melbourne, 14 March 2019

RSM Australia Partners

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Navarre Minerals Limited for the half year ended 31 December 2018, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the review.

A handwritten signature in blue ink that reads 'RSM'.**RSM AUSTRALIA PARTNERS**A handwritten signature in blue ink that reads 'P A Ransom'.**P A RANSOM**

Partner

Dated: 14 March 2019

Melbourne, Victoria

Navarre Minerals Limited

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**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2018**

	Note	31/12/2018	31/12/2017
		\$	\$
Interest income		19,757	9,145
Income		19,757	9,145
Net administration expenses	4	(488,855)	(336,821)
Exploration expenditure written-off		(3,563)	(271,404)
Loss before income tax		(472,661)	(599,080)
Income tax expense		-	-
Net loss for the period		(472,661)	(599,080)
Total comprehensive loss for the period		(472,661)	(599,080)
Basic loss per share (cents per share)		(0.14)	(0.28)
Diluted loss per share (cents per share)		(0.14)	(0.22)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Navarre Minerals Limited

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**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018**

	Note	31/12/2018	30/06/2018
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents	5	2,618,089	1,426,684
Trade and other receivables		134,276	549,899
Other financial assets	6	10,000	-
TOTAL CURRENT ASSETS		2,762,365	1,976,583
NON-CURRENT ASSETS			
Other financial assets	6	120,000	120,000
Property, plant and equipment		52,516	30,856
Exploration and evaluation costs	7	9,072,609	7,493,861
TOTAL NON-CURRENT ASSETS		9,245,125	7,644,717
TOTAL ASSETS		12,007,490	9,621,300
CURRENT LIABILITIES			
Trade and other payables		364,462	610,759
Provisions		82,480	78,357
TOTAL CURRENT LIABILITIES		446,942	689,116
TOTAL LIABILITIES		446,942	689,116
NET ASSETS		11,560,548	8,932,184
EQUITY			
Contributed equity	8	19,590,947	16,641,488
Share based payments reserve		280,713	131,005
Accumulated losses		(8,311,112)	(7,840,309)
TOTAL EQUITY		11,560,548	8,932,184

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

	Issued Capital \$	Share Based Payments Reserve \$	Accumulated Losses \$	Total Equity \$
Balance at 1 July 2018	16,641,488	131,005	(7,840,309)	8,932,184
Net loss for the period	-	-	(472,661)	(472,661)
Total comprehensive loss for the year	-	-	(472,661)	(472,661)
Transactions with owners in their capacity as owners:				
Cost of share based payments	-	151,566	-	151,566
Share issues	3,013,200	-	-	3,013,200
Costs of issues	(63,741)	-	-	(63,741)
Transfer of equity instruments lapsed	-	(1,858)	1,858	-
At 31 December 2018	19,590,947	280,713	(8,311,112)	11,560,548

	Issued Capital \$	Share Based Payments Reserve \$	Accumulated Losses \$	Total Equity \$
Balance at 1 July 2017	13,543,218	34,012	(6,629,253)	6,947,977
Net loss for the period	-	-	(599,080)	(599,080)
Total comprehensive loss for the year	-	-	(599,080)	(599,080)
Transactions with owners in their capacity as owners:				
Cost of share based payments	-	14,202	-	14,202
Share issues	2,209,545	-	-	2,209,545
Costs of issues	(123,735)	-	-	(123,735)
Transfer of equity instruments lapsed	-	(15,980)	15,980	-
At 31 December 2017	15,629,028	32,234	(7,212,353)	8,448,909

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

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**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2018**

	31/12/2018	31/12/2017
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments to suppliers and employees	(426,745)	(318,338)
Interest received	14,666	7,774
Net cash (used in) operating activities	(412,079)	(310,564)
CASH FLOWS FROM INVESTING ACTIVITIES		
Expenditure on plant and equipment	(30,940)	(21,375)
Expenditure on exploration tenements	(1,678,287)	(981,653)
TARGET Minerals Exploration Initiative – Milestone 2 grant	-	137,455
TARGET Minerals Exploration Initiative – Milestone 3 grant	365,091	-
Net cash (used in) investing activities	(1,344,136)	(865,573)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from share issues	3,013,200	2,209,545
Transaction costs on issue of shares	(65,580)	(158,947)
Net cash from financing activities	2,947,620	2,050,598
Net increase / (decrease) in cash and cash equivalents	1,191,405	874,461
Cash and cash equivalents at beginning of period	1,426,684	1,750,936
Cash and cash equivalents at end of period (Note 5)	2,618,089	2,625,397

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Navarre Minerals Limited

ABN 66 125 140 105

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

NOTE 1: CORPORATE INFORMATION

The financial report of Navarre Minerals Limited ("Navarre Minerals", or the "Company") for the half-year ended 31 December 2018 was issued on 14 March 2019 in accordance with a resolution of the directors.

Navarre Minerals Limited is a company limited by shares incorporated in Australia. The Company's shares are publicly traded on the Australian Securities Exchange (ASX).

The nature of operations and principal activities of the Group are described in the directors' report.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

This general purpose financial report for the half-year ended 31 December 2018 has been prepared in accordance with AASB 134 "Interim Financial Reporting" and the Corporations Act 2001.

The half-year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report.

It is recommended that the half-year financial report be read in conjunction with the annual report for the year ended 30 June 2018 and considered together with any public announcements made by Navarre Minerals Limited during the half-year ended 31 December 2018 in accordance with the continuous disclosure obligations of the ASX listing rules.

(b) Changes in accounting policy, accounting standards and interpretations

The Consolidated Entity has adopted all of the new or amended accounting standards and interpretations issued by the Australian Accounting Standard Board (the AASB) that are mandatory for the current reporting period. Management has assessed that AASB 9 *Financial instruments* and AASB 15 *Revenue from contracts with customers* do not have an impact on opening balances therefore no adjustment has been processed. Management has also assessed that the introduction of these standards will have no material financial impact in the current half-year period.

Any new or amended accounting standards or interpretations that are not yet mandatory have not been early adopted.

(c) Going concern

The half-year financial report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation and settlement of liabilities in the normal course of the business.

The Consolidated Entity incurred a loss of \$472,661 and had net cash outflows from operating and investing activities of \$412,079 and \$1,344,136 respectively for the half-year ended 31 December 2018. The Consolidated Entity had net cash inflows from financing activities of \$2,947,620 for the period and its cash reserves have increased from \$1,426,684 as at 30 June 2018 to \$2,618,089 as at 31 December 2018. The Directors believe that there are reasonable grounds to believe that the Consolidated Entity will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the half-year financial report after consideration of the following factors:

- (i) During the half-year ended 31 December 2018, the Consolidated Entity raised \$3,013,200 (before transaction costs) through capital raising initiatives which has led to the Consolidated Entity having cash reserves as at 31 December 2018 of \$2,618,089.
- (ii) The Consolidated Entity will seek to raise further capital, if required, as and when necessary to meet its projected operations. The decision of how the Consolidated Entity will raise future capital will depend on market conditions existing at that time. It is the Consolidated Entity's plan that this capital will be raised by any one or a combination of the following: placement of shares, pro-rata issue to shareholders, the exercise of outstanding options, and/or a further issue of shares to the public.

Navarre Minerals Limited

ABN 66 125 140 105

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(c) Going concern (cont.)

- (iii) Should the Consolidated Entity be unable to raise further capital, some or all of the Consolidated Entity's operations would be either scaled down or suspended until further capital could be raised.
- (iv) Should these methods not be considered to be viable, or in the best interests of shareholders, then it would be the Consolidated Entity's intention to meet its obligations by either sale of all or part of the Consolidated Entity's interests or farm-out of the Consolidated Entity's exploration interests, the latter course of action being consistent with the Consolidated Entity's current overall strategy.

NOTE 3: SEGMENT INFORMATION

The Group's reportable segment is confined to mineral exploration in Victoria only.

NOTE 4: NET ADMINISTRATION EXPENSES

	Consolidated	
	31/12/2018	31/12/2017
	\$	\$
Net administration expenses		
Consultants fees and expenses	500	7,860
Directors remuneration (non-executive)	53,325	53,325
Salaries and on-costs ¹	506,209	308,345
Share based payments	151,566	14,202
Investor relations	109,523	68,874
Motor vehicle expenses	7,994	1,762
Audit costs	9,600	9,400
Stock exchange registry and reporting costs	39,341	29,714
Travel costs	4,357	9,375
Depreciation and amortisation	9,280	9,177
Other administration expenses	45,249	37,956
Gross administration expenses	936,944	549,990
Allocated to exploration licences	(448,089)	(213,169)
Net administration expenses	488,855	336,821

¹ The Exploration Manager was engaged by the Company on a consultancy basis prior to becoming a full-time employee with the Company in January 2018.

NOTE 5: CASH AND CASH EQUIVALENTS

	Consolidated	
	31/12/2018	30/06/2018
	\$	\$
Cash at bank and in hand	2,618,089	1,426,684

Cash at bank earns interest at floating rates based on daily bank rates.

Navarre Minerals Limited

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

NOTE 6: OTHER FINANCIAL ASSETS

	Consolidated	
	31/12/2018	30/06/2018
Current	\$	\$
Term Deposits	10,000	-
	<u>10,000</u>	<u>-</u>
Non-current	\$	\$
Bank Guarantees – Exploration Permits	120,000	120,000
	<u>120,000</u>	<u>120,000</u>

NOTE 7: EXPLORATION AND EVALUATION COSTS

	Consolidated	
	31/12/2018	30/06/2018
	\$	\$
Balance at beginning of the period	7,493,861	5,251,405
Expenditure for the period	1,582,311	3,009,404
TARGET Minerals Exploration Initiative – Milestone 3 grant	-	(365,091)
Expenditure written-off during the period	(3,563)	(401,857)
	<u>9,072,609</u>	<u>7,493,861</u>

Capitalised exploration and evaluation costs at 31 December 2018 are \$9,072,609 (June 2018: \$7,493,861) which relate to Stawell Corridor (\$4,855,430), Bendigo North (\$3,251,638), St Arnaud Gold Project (\$659,026), and Western Victoria Copper Project (\$306,515).

NOTE 8: CONTRIBUTED EQUITY AND RESERVES

	Consolidated			
	31/12/2018 Shares	31/12/2018 \$	30/06/2018 Shares	30/06/2018 \$
ISSUED AND PAID UP CAPITAL				
Ordinary shares	355,010,251	19,590,947	294,746,251	16,641,488
	<u>355,010,251</u>	<u>19,590,947</u>	<u>294,746,251</u>	<u>16,641,488</u>

NOTE 9: COMMITMENTS AND CONTINGENCIES

During the previous reporting period, exploration commitments for the Tandarra Gold Project (EL 4897) were met by Catalyst Metals Ltd (Catalyst) under a farm out agreement, pursuant to which Catalyst could earn a 51% interest in the Tandarra Gold Project. Upon successful completion of all earn-in obligations, a Joint Venture (JV) agreement was finalised and signed.

During the half-year, the Company received notification from the Victorian Department of Economic Development, Jobs, Transport and Resources (DEDJTR) that Retention Licence RL006660 had been granted for a ten-year term expiring on 2 November 2028 (replacing EL 4897) for the Tandarra Gold Project. The programme of work and milestones were also agreed with the DEDJTR and will require expenditure of \$3.1 million during the ten-year period. The Company is obligated to pay 49% of the required exploration programme expenditure of \$3.1 million over the period of the licence.

Other than the above, there have been no material changes to commitments since the annual financial statements that were issued for the year ended 30 June 2018.

Navarre Minerals Limited

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2018****NOTE 10: SHARE BASED PAYMENT PLANS**

No share options were granted to employees of the Company during the half-year ended 31 December 2018. 125,000 unlisted share options in the Company expired on 31 December 2018.

NOTE 11: EVENTS SUBSEQUENT TO BALANCE DATE

On 21 February 2019, the Company issued 2,100,000 unlisted options (exercise price \$0.12, expiry 21 February 2024) to senior staff of the Company under the terms of the Navarre Minerals Limited Option Plan.

Navarre Minerals Limited

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DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Navarre Minerals Limited, I state that:

In the opinion of the Directors:

- (a) The financial statements and notes of Navarre Minerals Limited for the half year ending 31 December 2018 are in accordance with the *Corporations Act 2001*, including:
 - (i) Giving a true and fair view of the consolidated entity's financial position as at 31 December 2018.
 - (ii) Complying with Accounting Standard AASB 134 'Interim Financial Reporting' and *Corporations Regulations 2001*.
- (b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board



G McDermott
Managing Director
Melbourne, 14 March 2019

INDEPENDENT AUDITOR'S REPORT**TO THE MEMBERS OF****NAVARRE MINERALS LIMITED****Report on the Financial Report**

We have reviewed the accompanying half-year financial report of Navarre Minerals Limited which comprises the consolidated statement of financial position as at 31 December 2018, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2018 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of Navarre Minerals Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations act 2001, which has been given to the directors of Navarre Minerals Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Navarre Minerals Limited is not in accordance with the Corporations Act 2001 including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2018 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.



RSM AUSTRALIA PARTNERS



P A RANSOM

Partner

Dated: 14 March 2019
Melbourne, Victoria