



NAVARRE MINERALS LIMITED

ABN 66 125 140 105

Annual Report 2023

Navarre Minerals Limited

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30 June 2023

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Navarre Minerals Limited
Corporate directory
30 June 2023

Directors	James Gurry (Managing Director and Interim Chair) Richard Taylor (Non-Executive Director) Angela Lorrigan (Non-Executive Director)
Company secretary	Mathew Watkins
Registered office and principal place of business	Level 4, 100 Albert Road South Melbourne, VIC 3205
Telephone	+61 3 9692 7222
Fax	+61 2 9956 7355
Email	info@navarre.com.au
Website	www.navarre.com.au
Share register	Boardroom Pty Limited Level 7, 207 Kent Street Sydney NSW 2000 Australia Telephone +61 (2) 9290 9600 Facsimile +61 (3) 9279 0664
Auditor	RSM Australia Partners Level 27, 120 Collins Street Melbourne Victoria 3000 Australia
Stock exchange listing	Navarre Minerals Limited shares are listed on the Australian Securities Exchange (ASX code: NML)
Notice of annual general meeting	The details of the annual general meeting of Navarre Minerals Limited will be held on a date to be confirmed.
Corporate Governance Statement	Corporate governance statements are available at the Group's website. Please refer to https://navarre.com.au/corporate-governance/

MANAGING DIRECTORS REVIEW OF OPERATIONS AND PRINCIPAL ACTIVITIES

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

On 9 June 2023, the directors requested a halt to trading in Navarre Minerals Limited ('NML', 'Navarre' or the 'Company') securities pending an update on the Company's financial arrangements.

On 14 June 2023, the directors requested voluntary suspension of NML securities traded on ASX, so the directors could manage disclosure obligations while attempting to renegotiate debt.

On 19 June 2023, the directors chose to appoint Duncan Clubb, Andrew Fielding and Andrew Sallway as joint and several administrators of all companies in the Navarre Group pursuant to section 436A of the Corporations Act 2001 (Cth).

The Navarre Group of Companies consisted of:

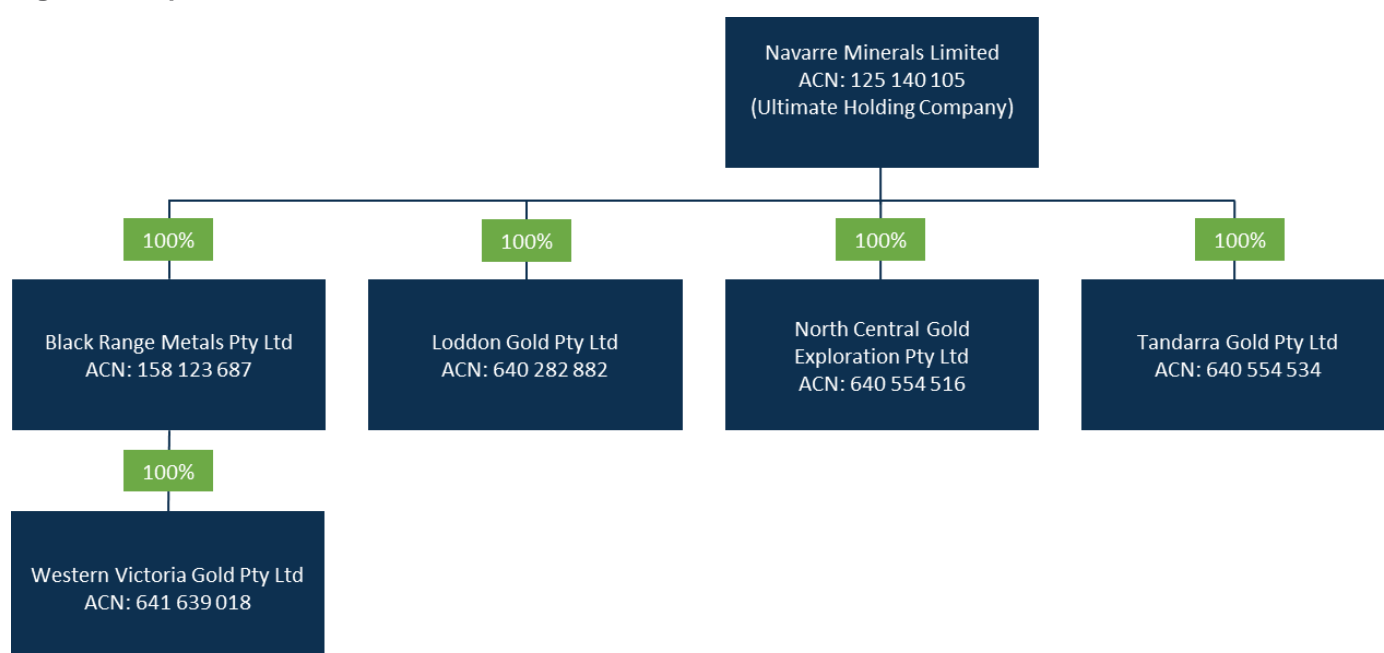
- Navarre Minerals Limited ACN 125 140 105
- Black Range Metals Pty Ltd ACN 158 123 687
- Loddon Gold Pty Ltd ACN 640 282 882
- North Central Gold Exploration Pty Ltd ACN 640 554 516
- Tandarra Gold Pty Ltd ACN 640 554 534
- Western Victoria Gold Pty Ltd ACN 641 639 018
- Navarre Minerals Queensland Pty Ltd ACN 653 931 803 (control ceased 21 June 2023)

On 21 June 2023, McGrath Nichol were appointed receivers and managers of Navarre Minerals Queensland Pty Ltd. The appointment of receivers and managers was made by one of the secured creditors, Evolution Mining Limited (Evolution). As a result, control was transferred to the receivers appointed by Evolution, with Navarre Minerals Limited effectively losing control of Navarre Minerals Queensland Pty Ltd and the Mt Carlton operations on this date. Reporting on Navarre Minerals Queensland Pty Ltd and all assets held by that entity ceased as of this date.

On 29 June 2023, the voluntary administrator held the first meeting of the creditors of the Navarre Group of Companies.

On 30-June 2023, the employment contracts of all remaining employees of Navarre Minerals Limited were terminated.

Figure 1 Corporate Structure



As a result of the appointment of receivers and managers of Navarre Minerals Queensland Pty Ltd on 21 June 2023, control was transferred to the receiver with Navarre Minerals Limited effectively losing control of Navarre Minerals Queensland Pty Ltd and the Mt Carlton operations on this date. This has been reflected in the above corporate structure, with Navarre Minerals Queensland Pty Ltd no longer being a wholly owned subsidiary of the group.

NAVARRE INTENDS TO RETURN TO ITS HERITAGE AS VICTORIAN GOLD EXPLORER

On the 24 April 2024, the Directors announced the intention to recapitalise the Company to enable the advancement of its long-standing and well-known Victorian project portfolio in a supportive gold price environment.

The Navarre Group, excluding Navarre Minerals Queensland (in liquidation), entered a Deed of Company Arrangement (DOCA) in late 2023. The DOCA agreement provided the framework for Navarre to recapitalise and return to its heritage as a Victorian gold explorer, focusing not only on its flagship Stawell Corridor Projects (including 304koz gold Resource at Resolution and Adventure Prospects) but also the St Arnaud Project, Tandarra Gold Project JV, Jubilee Project and the Company's other tenement related assets (together the "Victorian Projects").

On 6 June 2024, it was announced that the first stage to recapitalise the Company had been completed via approximately \$1.7m in convertible debt issuance to sophisticated and professional investors. The key terms of the convertible debt include a 12-month term, coupon of 15% p.a., general security over the Company and its assets and mandatory conversion into shares at a subsequent capital raise prior to resumption of ASX trading in NML shares.

Part of the initial funding has been used to pay the Deed Administrator \$525,000, satisfying the key condition to removing the Deed of Company Arrangement. The DOCA has been effectuated as confirmed by the Deed Administrator and reflected in current ASIC records.

It is intended the Company will undertake the second step in its recapitalisation, by way of a new equity issue, immediately prior to the resumption of trading of its shares, the second stage recapitalisation is subject to various approvals, including by the ASX, ASIC and shareholders. This capital will be used to fund exploration works on the Company's Victorian Projects and for working capital. This equity issue prioritises current shareholders and participants in the convertible note offer. The Company will in parallel seek shareholder approval to consolidate its existing issued share capital.

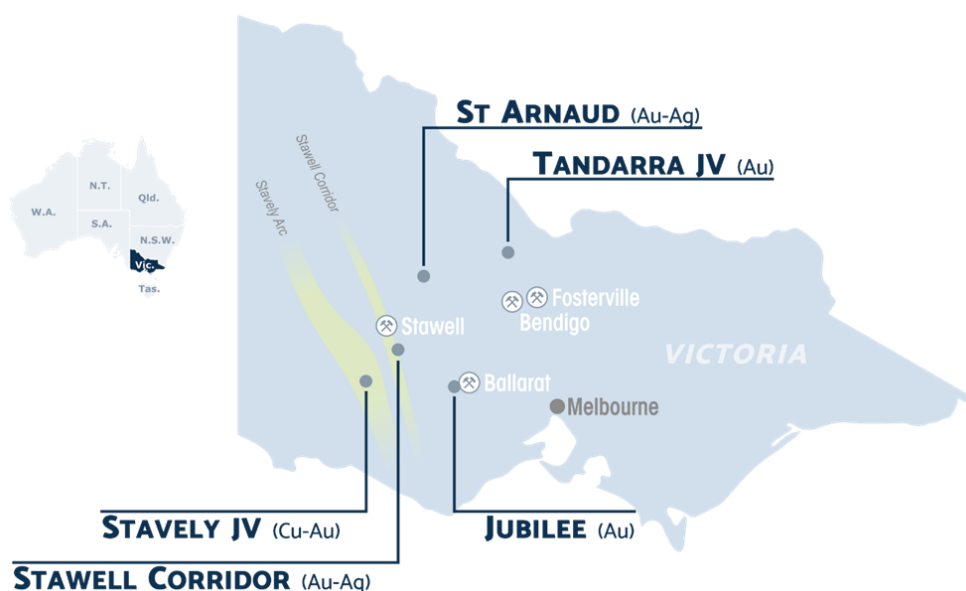
VICTORIAN EXPLORATION

Navarre is searching for gold deposits in an extension of a corridor of rocks that host the Stawell (circa six million ounce) and Ararat (circa one million ounce) goldfields. This is known as the Stawell Corridor Gold Project.

Within the project, the Company is focused on growing its reported maiden mineral resource on the margin of the Irvine basalt dome (the Resolution and Adventure prospects); and advancing a high-grade gold discovery on the 14.5 kilometre long Langi Logan basalt dome.

The Company is also searching for high-grade gold at St Arnaud Gold Project, which comprises 1,459km² of granted tenements, encompassing and including the entire historical 0.4Moz St Arnaud Goldfield, where high-grade gold was mined from quartz lodes in a structural setting consistent with most gold deposits in central Victoria, including Bendigo, Ballarat and Fosterville. During the period Navarre continued its regional soils program over several prospective target areas identified from geophysics.

Figure 1: Location of Navarre's Victorian mineral projects



MINERAL RESOURCE AND ORE RESERVE STATEMENT

Prior to control of the Queensland assets transferring, Navarre released its annual Mineral Resource and Ore Reserves Statement on 4 April 2023. Group Ore Reserves, net of mining depletion, increased to 308koz gold (up 48%), 6.3Moz silver (up 112%) and 6.8kt of copper (up 215%). Group Mineral Resources were reported at 17.0Mt @ 1.4 g/t gold for 791K Oz gold at 31 December 2022, including an unchanged 3.9Mt @2.43 g/t gold for 304k Oz in Victoria based on a gold price A\$2,500/oz (refer ASX release dated 4 April 2023, *Annual Mineral Resource and Ore Reserve Statement*).

At reporting date 30 June 2023, the Group ceased to control of Navarre Minerals Queensland Pty Ltd and the Mt Carlton operations. Therefore, only the Resources relating to the Victorian tenements are to be considered, totalling an inferred resource of 3.9Mt @2.43 g/t gold for 304k Oz of metal reported in the table below using a gold price assumption of A\$2,500/oz.

TABLE 1: MINERAL RESOURCE ESTIMATE AT 30 JUNE 2023

Navarre Minerals – Consolidated Mineral Resource Estimate - 31 December 2022										
Project	Resource Classification	Tonnes (kt)	Gold grade (g/t)	Silver grade (g/t)	Copper grade (%)	AuEq grade (g/t)	Gold Metal (koz)	Silver Metal (koz)	Copper Metal (t)	AuEq Metal (koz)
Stawell Corridor Project	Measured	-	-	-	-	-	-	-	-	-
	Indicated	-	-	-	-	-	-	-	-	-
	Inferred	3,889	2.43	-	-	2.43	304	-	-	304
	Total	3,889	2.43	-	-	2.43	304	-	-	304
	Total	3,889	2.43	-	-	2.43	304	-	-	304

MT CARLTON OPERATION

Mt Carlton is located approximately 150km south of Townsville, Queensland, and included the Mount Carlton United (MCU) open pit mine, four satellite gold deposits and a 960ktpa processing plant that produced both polymetallic concentrate (gold, copper, silver) and gold doré, situated within a tenement package of approximately 815 sq kilometres.

During the financial year to 21 June 2023 when control ceased, the Company's plan for the Mt Carlton operation was to build on past performance and enter steady state production. On 27 October 2022 final regulatory approval was obtained from the Queensland Government for the development of open pit mining at the Mt Carlton United (MCU) gold-silver-copper deposit to supplement existing open pit production from the mainstay V2 mine.

Due to a fall in gold prices and risings costs of production, receivers and managers were appointed to Navarre Minerals Queensland Pty Ltd on 21 June 2023. As a result, control was transferred to the receivers, with Navarre Minerals Limited effectively losing control of Navarre Minerals Queensland Pty Ltd and the Mt Carlton operations on this date.

Where possible, the Company has reported operational data. As a result of the loss of control, certain data in relation Mt Carlton was not available.

On 15 March 2023, in its last periodic financial report prior to entering administration in June, the Company reported December 2022 half-year production in relation to Mt Carlton of 8k Oz payable gold, 243k Oz payable silver and 486t payable copper, with revenue of \$34.6m, gross profit (\$2.6m), and NPAT (\$8.5m). Net assets were \$84.5m. Net cashflow outflow from operations were (\$8.0m), with an additional (\$4.9m) in net cash outflows from investing activities for the half-year. The Company reported a cash balance \$130k at 31 December 2022, along with \$31.9m debt facility owed to Evolution Minerals (EVN) in respect of the Queensland Financial Provisioning Scheme, to be repaid by instalment over the period July 2023 to June 2025.

In the final activity report prior to entering voluntary administration, for the quarter ended 31 March 2023, Navarre reported \$22.7m in cash receipts from customers, cash outflows of (\$21.0m) in relation production costs, (\$0.04m) in staff costs, (\$2.62m) in administration and corporate costs and (\$0.07m) in interest and other costs of financing. Net cash outflows from operating activities were (\$1.94m) for the quarter, with (\$1.73m) in investing activities and net cash from financing activities \$11.48m. Closing cash balance for the March quarter was \$8.18m. Net inflows from financing initiatives were \$11.5m. The Mt Carlton Qld operation produced 4,098 ounces of gold (up 43% compared to same time in the previous year), 159,907 ounces of silver (down 6% compared to the same time in the previous year) and 338 tonnes of copper (up 24% compared to the same time in the previous year).

VICTORIAN TENEMENT INFORMATION AT 30 JUNE 2023

Name	Tenement	Tenure Type	Status	NML Group Interest
STAWELL CORRIDOR GOLD PROJECT (south of Stawell, Victoria)				
Ararat	EL 5476	Exploration Licence	Granted	100%
Tatyoona	EL 5480	Exploration Licence	Granted	100%
Glenlyle	EL 5497	Exploration Licence	Granted	100%
Long Gully	EL 6525	Exploration Licence	Granted	100%
Westgate	EL 6526	Exploration Licence	Granted	100%
Petticoat Gully	EL 6527	Exploration Licence	Granted	100%
Dutton	EL 6528	Exploration Licence	Granted	100%
Eastern Maar	ELA 6530	Exploration Licence	Application	0%
Langi Logan	EL 6702	Exploration Licence	Granted	100%
Langi Logan West	EL 6745	Exploration Licence	Granted	100%
Margaret Gully	ELA 6843	Exploration Licence	Application	0%
Mininera	EL 7125	Exploration Licence	Granted	100%
Tatyoona North	EL 7743	Exploration Licence	Granted	100%
Maroona	EL 7950	Exploration Licence	Application	0%
Lake Bolac	EL 7951	Exploration Licence	Application	0%
TANDARRA GOLD PROJECT (north of Bendigo, Victoria)				
Tandarra ¹	RL 6660	Retention Licence	Granted	49%
ST ARNAUD GOLD PROJECT (north of Stawell, Victoria)				
St Arnaud	EL 6556	Exploration Licence	Granted	100%
Lord Nelson	EL 6819	Exploration Licence	Granted	100%
St Arnaud East	EL 7431	Exploration Licence	Granted	100%
St Arnaud West	EL 7436	Exploration Licence	Granted	100%
Donald	EL 7496	Exploration Licence	Granted	100%
Jeffcott	EL 7567	Exploration Licence	Granted	100%
Donald	EL 8117	Exploration Licence	Granted	100%
STAVELY ARC PROJECT (west of Stawell, Victoria)				
Black Range	EL 4590	Exploration Licence	Expired	100% ²
Stavely ³	EL 5425	Exploration Licence	Granted	20%
JUBILEE GOLD PROJECT (west of Ballarat, Victoria)				
Jubilee	EL 6689	Exploration Licence	Granted	100%
Ballarat	ELA 7538	Exploration Licence	Application	0%
Ballarat	ELA 7539	Exploration Licence	Application	0%
East Jubilee	ELA 7748	Exploration Licence	Granted	100%
Snake Valley	ELA 7751	Exploration Licence	Application	0%
Nintingbool	ELA 7752	Exploration Licence	Granted	100%

¹ Held in Joint Venture with Catalyst Minerals (51%). Navarre is also entitled to a 1% royalty on Catalyst's share of proceeds from future production from part of the area covered by exploration licences EL 5266 (Raydarra) and EL 5533 (Sebastian).

² In July 2021, Resource Base Limited acquired EL 4590 from Navarre. As part of the sale of the Black Range tenement, EL 4590 is currently in the process of being transferred to Resource Base Limited.

³ Held with Stavely Minerals Limited (80%).

STATEMENT OF MINERAL RESOURCES

Navarre intends to report its Annual Statement of Mineral Resources and Ore Reserves estimates as of 31 December each year.

In April 2023, Navarre declared an updated Mineral Resource Statement of 17.0Mt @ 1.4 g/t gold for 791,000 ounces of gold as well as an updated Ore Reserve of 10.4Mt @ 0.9 g/t gold for 308,000 ounces of gold. The Mineral Resource included the Mt Carlton, Crush Creek and Stawell Corridor Gold Projects with the Ore Reserve reported for Mt Carlton and Crush Creek.

The information in this section is drawn from the following ASX release:

Deposit	Release Date
Mt Carlton, Crush Creek and Stawell Corridor Mineral Resources and Ore Reserves	
(Annual Mineral Resource and Ore Reserve Statement)	4 April 2023

CONSOLIDATED MINERAL RESOURCE ESTIMATE AS OF 31 DECEMBER 2022

Navarre Minerals – Consolidated Mineral Resource Estimate - 31 December 2022										
Project	Resource Classification	Tonnes (kt)	Gold grade (g/t)	Silver grade (g/t)	Copper grade (%)	AuEq grade (g/t)	Gold Metal (koz)	Silver Metal (koz)	Copper Metal (t)	AuEq Metal (koz)
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	Indicated	-	-	-	-	-	-	-	-	-
	Inferred	3,889	2.43	-	-	2.43	304	-	-	304
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	Total	3,889	2.43	-	-	2.43	304	-	-	304

Notes:

- All Mineral Resources are reported in accordance with the JORC Code 2012 Edition.
- All figures are rounded to reflect appropriate levels of confidence. Apparent differences may occur due to rounding.
- All Open Pit Mineral Resources are constrained within optimised pit shells that have used mining, processing and geotechnical parameters.
- For all Underground Mineral Resources, a series of resource stope optimisations have been undertaken in Mineable Stope Optimiser (MSO). The MSOs have been run based on extraction by either longhole open stoping or by mechanised cut and fill mining methods which are dependent on the mineralisation geometry. The inclusion of waste material during the stope optimisation process precludes the requirement to apply a cut-off grade to the reporting of the Mineral Resources, since the application of the calculated NSR or grade cut-off has been applied within the MSO and the creation of the wireframe solids.
- A gold price of A\$2,500/oz was assumed.

REPORTING ASSUMPTIONS

The commodity price assumptions used to report the December 2022 Mineral Resources are a gold price of A\$2,500/oz. All open pit Mineral Resource Estimates (MREs) are reported within optimised pit shells which have been developed using the above gold price assumption and consider forecast mining costs, metallurgical recoveries and payability factors. All underground Mineral Resources are reported within underground mining shapes (MSOs) consider forecast mining costs, metallurgical recoveries and payability factors.

SUMMARY OF SIGNIFICANT CHANGES SINCE 2022

At reporting date 30 June 2023, the Group ceased to control of Navarre Minerals Queensland Pty Ltd and the Mt Carlton operations. Therefore, only the mineral resources relating to the Victorian tenements are reported. Navarre confirms that it is not aware of any other information or data that materially affects the information included in the original market announcements and, in the case of estimates of Mineral Resources, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

GOVERNANCE AND INTERNAL CONTROLS

The MREs in this statement have been prepared in accordance with the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code 2012 Edition) by suitably qualified and experienced Competent Persons. The estimates are reviewed by internal and external qualified professionals and the Board of Navarre reviews and approves the estimates prior to public release.

COMPETENT PERSON STATEMENT

1. The Stawell Corridor Mineral Resource estimates (both OP and UG) have been compiled by Mr Richard Buerger (MAIG – 6031), a Competent Person as defined under the JORC Code (2012).
2. The information in this Annual Report that relates to Mineral Resources or Ore Reserves as of 31 December 2022 has been extracted from the release titled “Annual Mineral Resource and Ore Reserve Statement” dated 4 April 2023 (the original release). At reporting date 30 June 2023, the Group ceased to control of Navarre Minerals Queensland Pty Ltd and the Mt Carlton operations. Therefore, only the mineral resources relating to the Victorian tenements have been reported here. Navarre confirms that it is not aware of any other new information or data that materially affects the information included in the original release and, in the case of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the original release continue to apply and have not materially changed. Navarre confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original release.
3. The information in this report that relates to Exploration Results is based on, and fairly reflects, information compiled by Mr Geoff McDermott, who was a Member of the Australasian Institute of Geoscientists. Mr McDermott was at the time Technical Director and a previous full-time employee of Navarre Minerals Limited. Mr McDermott has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration, and to the activities undertaken to qualify as a Competent Person as defined in the 2012 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code).
4. The information in this release that relates to the Estimation and Reporting of Mineral Resources for the Resolution deposit has been compiled by Mr David Coventry BSc (Geology). At the time of the estimation, Mr Coventry was a full-time employee of Mining Plus Pty Ltd and acted as an independent consultant on the Resolution prospect Mineral Resource estimation. Mr Coventry is a Member of the Australasian Institute of Geologists (5288) and has sufficient experience with the style of mineralisation, the deposit type under consideration and to the activities undertaken to qualify as a Competent Person as defined in the 2012 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves” (The JORC Code).
5. The information in this release that relates to the Estimation and Reporting of Mineral Resources for Adventure Lode has been compiled by Mr Richard Buerger BSc (Geology). At the time of the estimation, Mr Buerger was a full-time employee of Mining Plus Pty Ltd and acted as an independent consultant on the Adventure Lode Mineral Resource Estimation. Mr Buerger is a Member of the Australasian Institute of Geologists (6031) and has sufficient experience with the style of mineralisation, the deposit type under consideration and to the activities undertaken to qualify as a Competent Person as defined in the 2012 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves” (The JORC Code).
6. This annual Mineral Resources and Ore Reserves statement is based on and fairly represents, information and supporting documentation prepared by the Competent Persons. The Mineral Resources and Ore Reserves statement has been approved by Mr Kenneth Bush, who is a Member of the Australian Institute of Geoscientists and a Registered Professional Geologist in the field of Mining (#10315). Mr Bush is the Technical Director of Core Prospecting Pty Ltd, a consultant to Navarre Minerals Limited. Mr Bush has sufficient experience that is relevant to the style of mineralisation and type of deposits under consideration and to the activity currently being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.” Mr Bush has provided written consent for the issue of this report in the form and context in which it appears.

Navarre Minerals Limited
ABN 66 125 140 105
Directors' Report
For the year ended 30 June 2023

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 subsidiaries (together, the "Group") for the financial year ended 30 June 2023. Navarre Minerals is a company limited by shares, incorporated and domiciled in Australia. In order to comply with the provisions of the *Corporations Act 2001*, the directors report is as follows:

1. DIRECTORS

The names and details of the Company's directors in office during the financial year and until the date of this report are as follows. The directors were in office during the entire period unless otherwise stated.

Director	Designation & independence status	Qualifications, experience & expertise	Directorships of other listed companies
James Gurry Appointed Director 5 May 2023 Appointed Managing Director 6 June 2024 Appointed Chair (interim) 1 August 2024	Managing Director Executive	<p>Mr Gurry was previously a leading stockbroker analyst with extensive research experience including covering large and small cap gold equities. He was Executive Director and previously Equity Analyst at PAC Partners Securities specialising in small resource companies and was non-executive director and chair of the audit & risk committee of of ASX-listed Red Hawk Mining (RHK) until November 2023.</p> <p>Previous roles include Director and Head of Natural Resources Equity Research at Deutsche Bank Equities Australia and similar roles over 11 years at Credit Suisse Equities in Sydney and London. He started his career in the Transaction Advisory Services Division of Ernst & Young, Melbourne.</p> <p>Mr Gurry holds a Bachelor of Commerce (Honours), is a Member of Chartered Accountants Australia & New Zealand (CA ANZ) and is a Graduate of the Australian Institute of Company Directors (GAICD).</p>	None Previously Red Hawk Mining (RHK)
Richard Taylor Appointed 24 May 2024	Non-executive Independent	<p>Mr Taylor has held senior executive roles in the resource sector for more than 15 years. He is former CEO and Executive Director, and current non-executive Director of Premier1 Lithium (ASX:PLC), prior to that he was CEO of Terramin Australia Ltd (ASX:TZN) and held senior roles with Mineral Deposits Limited, PanAust, MMG Ltd and Oxiana Ltd specialising in business development, strategy and governance.</p> <p>Mr Taylor is a qualified lawyer. He holds an MBA from the University of Cambridge and a master degree in law from ANU.</p>	Premier1 Lithium (PLC)
Angela Lorrigan Appointed 1 August 2024	Non-executive Independent	<p>An Exploration Geologist, Angela was educated at the University of Melbourne and has worked on Victorian gold process over the past 4 years including a strong association with Southern Cross Gold's (SXG) Sunday Creek, Redcastle and Whroo Projects. Prior to this, Ms Lorrigan's career highlights include extension of the K Lens Resource at Rosebery Mine in Tasmania, discovery of the Hera Deposit in Nymagree in NSW and General Manager, Geology in the PYBAR Group which drove the re-opening of the Henty Gold Mine in Tasmania.</p> <p>Ms Lorrigan is a current member of the Tasmanian Minerals, Manufacturing and Energy Council (TMEC) - Land Management Committee, is a graduate of the</p>	None

Navarre Minerals Limited
ABN 66 125 140 105
Directors' Report
For the year ended 30 June 2023

		Australian Institute of Company Directors Course, and in 2023 was awarded the Twelvvetrees Medal for outstanding contributions to Tasmanian Geology.	
Kevin Wilson Appointed 30 April 2007 Resigned 1 August 2024	Chairman Non-executive Independent	<i>BSc (Hons), ARSM, MBA</i> Mr Wilson has over 30 years' experience in the minerals and finance industries. He was the Managing Director of Rey Resources Limited, an Australian energy exploration company, from 2008 to 2016 and the Managing Director of Leviathan Resources Limited, a Victorian gold mining company, from its initial public offering in 2005 through to its sale in 2006. He has prior experience as a geologist with the Anglo American Group in Africa and North America and as a stockbroking analyst and investment banker with CS First Boston and Merrill Lynch in Australia and USA.	LCL Resources (ongoing) Solis Minerals (ongoing)
Ian Holland Appointed 25 May 2020 Appointed Managing Director on 1 September 2020, terminated 30 June 2023. Resigned as Director 1 August 2024	Managing Director Executive	<i>BSc, MMinGeoSc, FAusIMM, F Fin, MAICD</i> Mr Ian Holland has over 20 years' experience in the minerals industry across a number of gold and base metal operations throughout Australia. He is a geologist by background and has a strong track record of value creation with his most recent previous role as Vice President, Australian Operations for Kirkland Lake Gold where he led the growth of the world-class Fosterville Gold mine in Victoria. He was also previously the General Manager of Fosterville for a number of years as well as roles at Mount Isa Mines, Mount Gordon and Renison.	Adelong Gold
Geoff McDermott Appointed Managing Director on 19 May 2008 Appointed Technical Director on 1 April 2021 Resigned 9 June 2023 as director, employment terminated 30- June-2023.	Technical Director Executive	<i>BSc (Hons), MAIG</i> Mr McDermott a geologist with over 30 years' industry experience working in surface and underground metalliferous mining operations, in mineral exploration and as a consultant to the minerals industry. Mr McDermott has a broad range of international experience having worked as a geologist in Canada, Fiji and Australia for companies such as Western Mining Corporation and Rio Tinto and with the Government of the Northwest Territories, Canada. From 2002 until 2007, Mr McDermott was Chief Geologist and Group Geologist with MPI Mines Limited and Leviathan Resources Limited.	None
Garth Campbell-Cowan Appointed 16 November 2021 Resigned 5 May 2023	Non-executive Independent	<i>B.Bus (Acc), FCPA</i> Garth spent 15 years as Chief Financial Officer of St Barbara Ltd (ASX: SBM) and was part of the team that managed that company's transformation from junior miner to an ASX 200 company. Garth is a Fellow of Chartered Accountants Australia and New Zealand and has a Diploma of Applied Finance & Investment from the Securities Institute of Australia. He holds a Bachelor of Commerce from the University of Cape Town, South Africa.	None

Interests in the shares and options of the Company

As at the date of this report, the relevant beneficial and non-beneficial interests of each of the directors in the shares and share options in the Company were:

	Ordinary Shares	Options	Performance Rights
J Gurry	-	-	-
R Taylor	-	-	-
A Lorrigan	-	-	-

The terms of the options and performance rights are set out in Note 47 to the consolidated financial statements.

2. COMPANY SECRETARY

Mr Mathew Watkins was appointed Company Secretary on the 28 January 2021.

Mr Watkins is a Chartered Accountant who has extensive ASX experience within several industry sectors including Biotechnology, Bioscience, Resources and Information Technology. He specialises in ASX statutory reporting, ASX compliance, Corporate Governance and board and secretarial support. Mr Watkins is appointed Company Secretary on a number of ASX listed Companies as well as a number of public unlisted companies.

Mr Watkins is employed at Vistra Australia Pty Ltd (Vistra), a professional Company Secretarial and Accounting firm. Vistra is a prominent provider of specialised consulting and administrative services to clients in the Fund, Corporate, Capital Markets, and Private Wealth sectors.

3. DIVIDENDS

No dividend has been paid, provided or recommended during the financial year and to the date of this report (2022: nil).

4. OPERATING AND FINANCIAL REVIEW

4.1 Principal activities

The principal activities during the year involved the operation of the Mt Carlton Gold Mine in North and mineral exploration in Victoria and Queensland, Australia.

The Navarre Minerals had 3 permanent employees at 30 June 2023 including directors (2022: 160).

4.2 Environment, health and safety

Navarre's mining operation at Mt Carlton was focussed on the extraction and processing of gold, silver and copper rich ore, which is sold as a concentrate. Mining is via conventional open pit methods, and while there was some underground mining taking place at the time of the acquisition of the asset, this ceased in February 2022. Mining activities have created a meaningful surface disturbance at the site, and Navarre is in full compliance of its obligations regarding environmental stewardship and rehabilitation, including the provision of relevant bonding. The operation is in compliance with all relevant State and Federal health and safety laws. There were no environmental incidents or Lost Time Injuries attributable to Navarre's ownership of the asset up to 21 June 2023.

Within Victoria, the Group conducted exploration activities only. No mining activity has been conducted by the Group on its exploration licences, and its exploration activities to date have had a low level of environmental impact.

The Group's exploration operations are subject to environmental and health and safety regulations under the various laws of Victoria and the Commonwealth. There were no reported Lost Time Injuries or environmental incidents during the year.

4.3 Review of operations

Refer to the Managing Director's Review of Operations 2023 on pages 2 to 7.

4.4 Review of financial results and position

(a) Results for the year

Navarre Minerals Limited and its controlled entities recorded a net loss after tax of \$67,857,385 (including \$60,848,391 in discontinued operations in relation Navarre Minerals Queensland Pty Ltd and the Mt Carlton operations) for the year ended 30 June 2023 (30 June 2022: net loss after tax of \$3,087,865).

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Navarre Minerals Queensland Pty Ltd and its Mt Carlton operation for the period up to 21 June 2023, had revenue from sales \$69,925,107 (30 June 2022: \$114,472,728) offset by cost of sales of \$74,297,693 (30 June 2022: \$102,604,863), other mine operation costs of \$3,776,204 (30 June 2022: \$2,448,825) and interest expense of \$2,467,463 (30 June 2022: \$16,203).

Due to the loss of control on 21 June 2023 over Navarre Minerals Queensland Pty Ltd and the Mt Carlton operations, Navarre Minerals Queensland Pty Ltd's balance sheet has been deconsolidated as at that date. The following financial statements have been prepared on this basis.

(b) Cash flows for the year

For the year ended 30 June 2023, the Group realised a net cash outflow of \$12,640,450 (30 June 2022 net cash outflow: \$793,413), comprising:

- Receipts from sales of concentrate \$76,572,925 (30 June 2022: \$112,138,739);
- Payments to suppliers and employees of \$87,453,341 (30 June 2022: \$92,160,865);
- Payments for transaction and integration costs nil (30 June 2022: \$9,340,840);
- Interest payments \$1,744,090 (30 June 2022: \$16,575);
- Payments in relation to the appointment of receivers and managers to Navarre Minerals Queensland Pty Ltd and the Mt Carlton operations \$4,324,015 (30 June 2022: nil);
- Expenditure on property, plant and equipment \$29,608 (30 June 2022: \$5,196,542);
- Payments for capitalised exploration expenditure \$2,961,461 exploration expenditure (30 June 2022: \$11,047,199);
- Payments for mine properties and developments \$3,763,612 (30 June 2022: \$2,636,303);
- Payments to purchase business nil (30 June 2022: \$30,364,233);
- Proceeds from share issues nil (30 June 2022: \$41,476,595); (note: \$5.0 million investment from Lind Partners was a staged placement over a maximum 24-month period, accounted for as a convertible note with cash flow impact recorded in proceeds from borrowings);
- Transaction costs on issue of shares \$16,576 (30 June 2022: \$2,794,875);
- Proceeds from borrowing \$16,314,345 (30 June 2022: \$1,244,553);
- Repayment of interest bearing liability \$4,121,725 (30 June 2022: \$835,408); and
- Repayment of lease liability \$618,208 (30 June 2022: \$1,169,883).

(c) Review of financial condition at the balance date

As at 30 June 2023, the Group held a net asset position of \$28,363,275 (30 June 2022: net assets of \$93,025,389), comprising mainly:

- Cash and cash equivalents of \$77,910 (30 June 2022: \$12,806,285);
- Trade and other receivables of \$158,213 (30 June 2022: \$3,409,030);
- Interest in investment accounted for using the equity method \$761,612 (30 June 2022: \$950,000);
- Other financial assets \$379,778 (30 June 2022: \$411,990);
- Property, plant and equipment \$158,144 (30 June 2022: \$51,915,041);
- Right-of-use asset \$61,451 (30 June 2022: 1,014,981);
- Exploration and evaluation assets of \$32,115,420 (30 June 2022: \$44,149,044);
- Mine properties and development nil (30 June 2022: \$26,476,300);
- Trade and other payables of \$307,032 (30 June 2022: \$14,469,582);
- Lease liability of \$49,844 (30 June 2022: \$1,019,695);
- Derivative financial liability \$765,251 (30 June 2022: nil);
- Current employee benefits provision \$314,768 (30 June 2022: \$5,440,453);
- Convertible loan \$3,408,941 (30 June 2022: nil);
- Rehabilitation provision nil (30 June 2022: \$31,236,326);
- Contingent consideration nil (30 June 2022: 13,418,000); and
- Interest bearing liabilities \$530,558 (30 June 2022: \$371,074).

(c) Share issues

In August 2022, Navarre issued 1,744,898 fully paid ordinary shares following the exercise of 994,898 unlisted performance rights (expiry date 5 July 2023), 350,000 unlisted performance rights (expiry date 30 June 2024) and 400,000 unlisted performance rights (expiry date 30 June 2025).

In March 2023, Navarre issued 65,000,000 fully paid ordinary shares ("initial shares") to The Lind Partners in accordance with a share subscription agreement. Refer note 29 for accounting treatment.

In May 2023, Navarre issued 50,000 fully paid ordinary shares following the exercise of unlisted performance rights (expiry date 5 July 2023).

(d) Significant changes in the state of affairs of the Group during the financial year

On 28 Dec 2022, Evolution Mining agreed to a revision of the existing environmental bonding facility for Mt Carlton so that it be repaid via instalments over 24 months from July 2023 to June 2025. On the same day, Navarre announced a new offtake contract and associated \$US7.0 million finance facility agreed with Glencore. The facility had a repayment date of 30 June 2023.

On 7 March 2023, Navarre announced it had entered into a \$5.0 million Share Placement Agreement with Lind Global Fund II, LP (Lind), an entity managed by The Lind Partners. In exchange for the \$5.0 million Advance Payment, Navarre issued 65,000,000 shares to Lind on 14 March 2023. Also, as part of the agreement, 73,529,412 options were to be issued to Lind with a strike price 5.1c and 48-month term. The issue of these options was subject to shareholder approval which was not sought due to Navarre entering voluntary administration in that period. Refer to note 29 for accounting treatment of this transaction.

On 3 May 2023, Mr Garth Campbell-Cowan resigned, and Mr James Gurry was appointed, as a non-executive director.

On 9 June 2023 the Directors requested a halt in trading for NML securities pending an update on the Company's financial arrangements. On the same day, former Managing Director, Mr Geoff McDermott resigned his role as Technical Director.

On 14 June 2023, the Directors requested the voluntary suspension of NML securities traded on ASX.

On 19 June 2023, the Directors chose to appoint Duncan Clubb, Andrew Fielding and Andrew Sallway as joint and several administrators of all Companies in the Navarre Group.

On 21 June 2023, McGrath Nichol were appointed receivers and managers of Navarre Minerals Queensland Pty Ltd on 21 June 2023. The appointment of receivers and managers was made by one of the secured creditors, Evolution Mining Limited. As a result, Navarre Minerals Limited, effectively lost control of Navarre Minerals Queensland Pty Ltd and the Mt Carlton operations on this date.

On 29 June 2023, the voluntary administrator held the first meeting of the creditors of the Navarre group of companies.

On 30 June 2023, all employees of Navarre Minerals Limited were terminated.

(e) Significant events after the balance date

Subsequent to the end of the reporting period, there have been a number of subsequent events, these are detailed below:

- On 21 August 2023, PAC Partners loaned \$44,618 to the Voluntary Administrators to enable Company to pay ASX annual fees and avoid ASX delisting.
- On 25 August 2023, at the second creditors meeting of Navarre Minerals Queensland Pty Ltd, the subsidiary company that owned the Mt Carlton Queensland operations, attendees voted that Navarre Minerals Queensland Pty Ltd enter liquidation.
- On 26 Sept 2023, at the second creditors meeting of the Navarre Group excluding Queensland, attendees resolved to enter a Deed of Company Arrangement (DOCA). The chosen DOCA was selected was from 3 competing proposals. Under the supported DOCA, it was agreed the Navarre Minerals Parent Company (and ASX listed status) be acquired for \$125,000. The Group's remaining tenements were to be sold in a formal sale process over the following 3 months.
- On 18 October 2023, the DOCA contract was executed and Deed Administrator commenced tenement sale process.
- On 4 December 2023, non-executive director James Gurry advanced the Company via the Administrator \$60,000 to cover legal and other fees incurred in relation to the DOCA process.
- On 16 January 2024, the deed administrator advised the director's that their increased bid in the competitive tenement sale process to purchase all the tenements for \$400,000 is the preferred transaction, bringing the total required DOCA Contribution to \$525,000.
- On 17 January 2024, listed investments held by Navarre were sold by the Deed Administrator for approximately \$300,000.
- On 12 March 2024, the three Directors and one previous Director agree to compromise their claims against the Company. These claims survived the Administration as they were removed from the unsecured creditor claims in an effort to give creditors a greater return. The majority of the approximately \$753,000 owed to directors related to employee entitlements. The debt was reduced to \$70,000 owed to previous Director, Mr Geoff McDermott.
- On 24 April 2024, the Directors, as deed proponent of the DOCA, announce intention for Navarre to return to its heritage as a minerals exploration Company listed on ASX, focused on its Victorian tenements, and that the first of a 2-stage recapitalisation be launched. Subject to the success of the capital raise, it was expected that the then non-executive director, Mr James Gurry, would take up an executive role at the Company.

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- On 24 May 2024, Navarre announced the appointment of Mr Richard Taylor as a Non-Executive Director. Mr Taylor brings extensive ASX executive experience to the Company from past roles with Mineral Deposits Limited, PanAust, MMG Ltd and Oxiana Ltd.
- On 29 May 2024, the Directors, as Deed Proponents of the DOCA, raised approximately \$1.7m in secured convertible debt, with key terms: 15% pa coupon, debt convertible into ordinary shares at 35% discount at the next capital raise prior to resuming trading on ASX and debt secured against the assets of the Company.
- On 31 May 2024, in accordance with the Deed of Company Arrangement ('DOCA') all outstanding agreements entered into by the Company, including the share subscription agreement ('Subscription Agreement') between the Company and Lind Global Fund II (Lind), prior to the Administrators appointment were terminated effective this date. Any rights or entitlements held under Options are no longer valid or enforceable.
- On the same day, the Directors as Deed Proponents, made a payment of \$525,000 to the Deed Administrator satisfying one of the main conditions to finalise the DOCA. Mr Gurry and Mr Taylor invested \$100,000 and \$25,000 respectively in the convertible debt capital raise which is subject to shareholder approval.
- On 3 June 2024, the Deed Administrator advised the Directors that the DOCA had been effectuated and Navarre Group was released from external administration. As a result, all liabilities (known and unknown) except those specifically excluded under the terms of the DOCA, were transferred to the NML Creditors' Trust.
- On 6 June 2024, Company announced Mr Gurry's appointment as managing director and eligibility for share based award of \$250,000 for achieving release from external administration.
- On 12 June 2024, Navarre announced that it has taken the decision to recommit to its 49% interest in the Tandarra Gold Project making payment of \$372,866 in respect of outstanding cash calls. The most recent project activity included a diamond drilling program at the Lawry prospect with six holes completed for 1,034m and an air core drilling program at the Uptons Road prospect.
- On 2 August 2024, Company announced the appointment of Ms Angela Lorrigan as Non-Executive Director – Technical, coinciding with the retirement from the board of directors Mr Kevin Wilson and Mr Ian Holland on the same date.

Other than the above, there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to significantly affect the operations of the Group, the results of those operations, or state of affairs of the Group, in the future financial years

(f) Likely developments and expected results

The Directors announced the intention to recapitalise the Company to enable the advancement of its long-standing and well-known Victorian project portfolio in a supportive gold price environment. The first stage to recapitalise the Company has been completed via a \$1.7m convertible debt issuance.

It is intended the Company will undertake the second step in its recapitalisation, by way of a new equity issue, immediately prior to the resumption of trading of its shares, subject to various approvals. The capital will be used to fund exploration works on the Company's Victorian projects and working capital.

4.5 Business strategy and prospects for future financial years

(a) Business strategy

The Group continues to undertake an active exploration program within emerging and proven mineral corridors, with the objective of identifying economic gold, silver and copper mineral deposits. In addition to the existing asset suite, the Group will continue to investigate opportunities to grow and advance Navarre through strategic merger and acquisition.

(b) Future prospects of the Group and risk management

The key driver of the Group's future prospects will be the success of its exploration programs.

The key material risks faced by the Group that are likely to have an effect on its future financial prospects include:

Exploration and development risks: The Group's mineral exploration tenements are at various states of appraisal and there can be no assurance that exploration of the tenements currently held by the Group, or any other tenements that may be acquired in the future, will result in the discovery of a mineral deposit. If exploration is successful, there will be additional costs and processes involved in moving to the development phase. By its nature, exploration risk can never be fully mitigated, but the Group has the benefit of significant exploration expertise through its management team.

The success of the Company will also depend upon the Company having access to sufficient development capital, being able to maintain title to its projects and obtaining all required approvals for its activities. In the event that exploration programmes prove to be unsuccessful this could lead to a diminution in the value of the Tenements, a reduction in the cash reserves of the Company and possible relinquishment of its projects.

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Tenure and access risk: While the Company does not anticipate there to be any issues with the grant of its Tenement applications, there can be no assurance that the applications (or any future applications) will be granted. While the Company considers the risk to be low, there can also be no assurance that when the relevant tenements are granted, they will be granted in their entirety.

Mining and exploration tenements are subject to periodic renewal. The renewal of the term of granted tenements is subject to the discretion of the relevant authority. Renewal conditions may include increased expenditure and work commitments or compulsory relinquishment of areas of the tenements. The imposition of new conditions or the inability to meet those conditions may adversely affect the operations, financial position and/or performance of the Company.

Environmental: The operations and proposed activities of the Company are subject to Australian laws and regulations concerning the environment. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all applicable environmental laws.

Economic: General economic conditions, introduction of tax reform, new legislation, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company, as well as on its ability to fund its operations.

Additional requirements for capital: The Company's capital requirements depend on numerous factors. The Company may require further financing in addition to amounts currently on its balance sheet. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations. There is however no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.

Native title: The Native Title Act recognises and protects the rights and interests in Australia of Aboriginal and Torres Strait Islander people in land and waters, according to their traditional laws and customs. There is significant uncertainty associated with Native Title in Australia and this may impact on the Company's operations and future plans.

The Company is required to enter into standard regional heritage agreements or negotiated alternative aboriginal heritage agreements for the Grant of its Tenement applications and to undertake its proposed exploration program on the Tenements. The Company intends to carry out heritage clearance surveys before implementing its proposed ground disturbing exploration programs. The Company's current proposed exploration programs are not impacted by the known sites of registered aboriginal heritage significance.

This is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

Navarre is also exposed to a range of market, financial and governance risks. The Company has risk management and internal control systems to manage risks, regularly reviewed by the management and the Board.

5. SHARE OPTIONS

Compensation options issued during the financial year

No share options were issued by the Company to directors or employees of the Company during the financial year.

Options expired during the financial year

Date	Number
lapsed/expired	
29 January 2023	500,000
10 April 2023	3,900,000

Options as at 30 June 2023

Expiry Date	Exercise Price	Number
21 February 2024	\$0.12	400,000
17 May 2024	\$0.12	2,800,000

Shares issued on the exercise of Options

During or since the end of the financial year, there has been no issue of fully paid ordinary shares from the exercise of options.

Unissued shares under option at date of report

At the date of this report, there were nil unissued ordinary shares of the Company under option. All options per cancelled as part of the DOCA on 31 May 2024.

6. SHARE PERFORMANCE RIGHTS

Compensation performance rights issued during the financial year

During the financial year, the Company issued 38,380,998 share performance rights to directors and employees of the Company. The terms of these performance rights are as follows:

Expiry Date	Number
30 June 2027	38,380,998

Further details on the performance rights are contained later in the Directors report.

Nil performance rights expired during the financial year

Performance rights forfeited during the financial year

Expiry Date	Number
30 June 2027	33,443,764
5 July 2024	992,858
30 June 2025	800,000
30 June 2024	400,000

Performance rights as at 30 June 2023

There were 8,099,478 unissued ordinary shares of the Company under performance rights as at 30 June 2023.

The terms of these performance rights are as follows:

Expiry Date	Number
30 June 2027	4,937,234
5 July 2024	2,020,408
31 December 2024	1,000,000
30 June 2024	50,000
5 July 2023	91,836

Shares issued on the exercise of performance rights

During or since the end of the financial year, the Company issued fully paid ordinary shares as a result of the exercise of performance rights as follows:

Date Exercised	Number
10 August 2022	1,744,898
10 May 2023	50,000

Unissued shares under performance rights at date of this report

At the date of this report, there were nil unissued ordinary shares of the Company under performance rights. All performance rights were cancelled as part of the DOCA on 31 May 2024.

7. INDEMNIFICATION AND INSURANCE OF DIRECTORS

The Company paid an insurance premium in respect of a contract insuring all directors of the Company against legal costs incurred in defending proceedings as permitted by Section 199B of the *Corporations Act 2001*.

8. BOARD AND COMMITTEE MEETINGS

The following table sets out the members of the Board of Directors and the members of the Committees of the Board, the number of meetings of the Board and of the Committees held during the year and the number of meetings attended during each director's period of office.

	Board of Directors		Audit & Risk Committee		Sustainability Committee ³	
	A	B	A	B	A	B
K Wilson	38	38	5	5	-	-
I Holland	38	38	-	-	-	-
G McDermott ⁴	34	34	5	5	-	-
G Cowen-Campbell ¹	30	30	5	5	-	-
James Gurry ²	8	8	-	-	-	-

A – Number of meetings attended

B – Number of meetings held during the time the director held office during the year

¹Mr Campbell-Cowan resigned from his position on 3 May 2023.

²Mr James Gurry was appointed as Non-Executive Director on 3 May 2023.

³The Board Sustainability Committee did not formally meet during the reporting period.

⁴Mr Geoff McDermott resigned Technical Director on 9 June 2023.

9. AUDITOR INDEPENDENCE AND NON-AUDIT SERVICES

The directors have received the auditor's independence declaration as required under section 307C of the Corporations Act 2001 from the auditor, RSM Australia Partners, set out on page 28.

Non-Audit Services

Details of amounts paid to the auditor, RSM Australia Partners, for non-audit services provided during the year by the auditor are outlined in note 37 to the consolidated financial statements. The directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The nature and scope of the non-audit services provided means that auditor independence was not compromised.

10. REMUNERATION REPORT (Audited)

The Remuneration Report for the year ended 30 June 2023 outlines the remuneration arrangements of the Company, in accordance with Section 300A of the *Corporations Act 2001* and its regulations.

The information provided in this Remuneration Report has been audited as required by Section 308(3C) of the *Corporations Act 2001*. This Remuneration Report forms part of the Directors' Report.

The Remuneration Report details the remuneration arrangements for Key Management Personnel ("KMP"), who are defined as 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) of the Company.

1. Key Management Personnel for the year ended 30 June 2023

Non-executive directors

K Wilson	Chairman (independent non-executive)
G Campbell-Cowan	Non-Executive Director (resigned 3 May 2023)
J Gurry	Non-Executive Director (appointed 3 May 2023)

Executives

I Holland	Managing Director (Executive)
G McDermott	Technical Director (Executive) (<i>resigned as technical director on 9 June 2023</i>)
P Hissey	Chief Financial Officer (<i>terminated 30 June 2023 as a result of the Navarre Group being placed into voluntary administration on 19 June 2023</i>)

2. Remuneration governance processes and principles

The policy for determining the nature and amount of remuneration for directors and executives is set by the Board of Directors as a whole. The Nomination & Remuneration ("N&R") Committee (which is fulfilled by the Board) provides regular, structured opportunity to focus on nomination and remuneration issues. The Board fulfils the role of N&R Committee due to the size of the Group and its operations. Any potential for, or perception of, conflict of interest resulting from any of the members of the

N&R Committee is addressed by ensuring that those members recuse themselves from any discussion of their remuneration arrangements or performance and takes no part in the discussion or decision-making process in relation to such matters.

The Board may obtain professional advice when appropriate to ensure that the Company attracts and retains talented and motivated directors and employees who can enhance Company performance through their contributions and leadership.

The Board seeks to set non-executive director remuneration at a level that provides the Company with the ability to attract and retain directors of high calibre, at a cost acceptable to shareholders.

The amount of aggregate remuneration approved by shareholders and the fee structure for non-executive directors is reviewed annually by the Board against fees paid to non-executive directors of comparable companies.

3. Components of executive remuneration

The Company aims to reward executives with a level and mix of remuneration commensurate with their position and responsibilities within the Company and so as to:

- align the interests of executives with those of shareholders;
- link reward with the strategic goals and performance of the Company; and
- ensure total remuneration is competitive by market standards.

Executive remuneration consists of fixed remuneration and, where appropriate, variable (at risk) remuneration.

Fixed remuneration

The base salaries of the Managing Director and other executives are fixed. Fixed remuneration is set at a market competitive level, considering an individual's responsibilities, performance, qualifications and experience, and current market conditions in the mining industry. Base salaries are reviewed annually, but executive contracts do not guarantee any increases in fixed remuneration.

Executives receive statutory superannuation from the Company and may, at their discretion, make additional superannuation contributions by way of salary sacrifice.

The fixed component of executives' remuneration is detailed in Table 2 and Table 3 of this Report.

Variable/at risk remuneration

The performance of executives is measured against criteria agreed annually and is based predominantly on the overall success of the Company in achieving its broader corporate goals. Variable remuneration is linked to predetermined performance criteria. Variable remuneration is also used to promote retention of high calibre staff, which the Company considers to be essential to the growth and success of the Company.

Variable remuneration may take the form of short-term incentives, such as payment of a cash bonus, or long-term incentives through participation in the Company's Equity Incentive Plan 2023 ("EIP"), which is used to provide long term performance and retention incentives, as appropriate. See note 47 for details of options and performance rights granted to key management personnel during the year.

The Company prohibits executives from entering into arrangements to protect the value of unvested options or performance rights. The prohibition includes entering into contracts to hedge their exposure to options or performance rights awarded as part of their remuneration package.

Short-term incentive (STI) component

Information about the contractual STI arrangements for executives is set out in their respective contractual arrangements disclosures in section 3.4 below. No STI payments were made to executives in financial year 2023.

Long-term incentive (LTI) component

Details of the contractual LTI arrangements for executives are set out in their respective contractual arrangements disclosures in section 3.4 below. In financial year 2023 executives received performance rights, with vesting conditions based on the satisfaction of service milestones and share price targets.

Remuneration Mix

The Company's executive remuneration is structured as a mix of fixed annual remuneration and variable 'at risk' remuneration. The mix of these components varies for different management levels and according to whether an executive is engaged as an employee or a contractor.

Table 1: Relative proportion and components of total remuneration packages for the year ended 30 June 2023

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	% of Total Remuneration		
	Fixed remuneration %	Performance-based remuneration Short Term Incentive %	Long Term Incentive %
Executives			
I Holland	76.5	-	23.5
G McDermott ¹	103.0	-	(3.0)
P Hissey ²	70.1	-	29.9

¹Negative value is due to forfeiture of performance rights on voluntary resignation

²High percentage with regards to long-term incentive due to requirement to fully recognise any remaining expense in relation to share based payments in full at the termination date

Executive Contractual Arrangements

Remuneration arrangements for Key Management Personnel are formalised in employment agreements. Details of these contracts are provided below.

• **Managing Director**

Mr Holland's role as Managing Director was terminated as part of the administration process on 30 June 2023. Mr Holland did continue as non-executive director, resigning from this role on 2 August 2024.

Mr Holland was employed by the Company on a full-time basis pursuant to an executive service agreement dated 31 August 2020 (and subsequent variations), which contains the following major terms:-

- **Term:** From 1 September 2020 until either the Company or Mr Holland terminates the agreement.
- **Notice:** The Company may terminate the agreement at any time by giving six months' notice in writing. Mr Holland may terminate the agreement at any time by giving six months' written notice to the Company or on one month's written notice to the Company if a 'fundamental change' to his employment occurs or the Company has failed to remedy a notified breach of its obligations under the agreement. The Company may immediately terminate the agreement by giving written notice in certain circumstances, including if serious misconduct has occurred. The Company may elect to pay Mr Holland in lieu of part or all of any notice period.
- **Base salary:** Mr Holland's total fixed remuneration is \$300,000 per annum plus statutory superannuation. This is reviewed by the N&R Committee on an annual basis, but there is no guarantee of any increase in fixed remuneration.
- **Short-term incentive:** No short-term incentive was included in Mr Holland's remuneration package for financial year 2023.
- **Long-term incentive:** Mr Holland is eligible to receive an annual long-term incentive payment of up to 80% of the total fixed remuneration on terms decided by the Board. Mr Holland is also eligible to participate in the Company's long-term incentive arrangements (as amended or replaced) on terms decided by the Board, subject to necessary shareholder approvals.

The Managing Director's remuneration package for financial year 2023 included a long-term incentive in the form of a grant of 4,937,234 share performance rights. The performance rights will vest based on the following conditions:

Number of Performance Rights	Performance Hurdle
1,678,660	The portion of the Performance Rights that are subject to the Relative TSR ("RTSR") Performance Hurdle will be tested against S&P/ASX All Ordinary Gold Index and will only be eligible to vest and become exercisable into Shares at the end of the performance period (being 1 July 2022 and 30 June 2025) if the Company's RTSR is at least equal to the index. Once equal to the index a percentage of the performance rights will vest, with a further percentages of the performance rights vesting based on percentage over the index.
1,629,287	The portion of the Performance Rights that are subject to the Absolute TSR ("ATSR") Performance Hurdle will only vest and become exercisable into Shares at the end of the performance period (being 1 July 2022 and 30 June 2025) if the Company's ATSR outcome is above the threshold performance TSR

	target, defined as 10% annualised growth in share price over the Company's 30 day VWAP share price ending 30 June 2022, for the performance period. The percentage of Performance Rights that vest will depend on the Company's ATSR performance.
1,629,287	The portion of the Performance Rights that are subject to the Reserves Per Share ("RPS") Performance Hurdle will be tested against the Company's growth in Ore Reserves Per Share of Reported Gold metal ounces in Reserves as at 31 December 2021, calculated by measuring the growth over the three and a half year performance period by comparing the baseline measure of the Ore Reserve as at 31 December 2021 (" Baseline Ore Reserves ") to the Ore Reserves as at 30 June 2025 on a per share basis, based on the number of shares on issue at that date with the testing performed following the end of the FY25 financial year. The percentage of Percentage Rights that will vest will depend on the RPS Performance Hurdle achieved.

- **Termination payments:** If Mr Holland's employment is terminated by the Company for any reason (other than in circumstances warranting summary dismissal), Mr Holland is entitled to a retirement benefit calculated as one month's total fixed remuneration, plus two weeks' total fixed remuneration for each completed or part-completed year of continuous service with the Company. If Mr Holland resigns within six months of a 'fundamental change', Mr Holland is entitled to a lump sum payment equivalent to six months' total fixed remuneration.

• **Technical Director**

Mr Geoff McDermott was appointed Technical Director with effect from 1 April 2021. Mr McDermott resigned as technical director on 9 June 2023.

Mr McDermott was employed by the Company on a full-time basis pursuant to an executive service agreement dated 10 December 2010 (and subsequent variations), which contains the following major terms:-

- **Term:** From 31 March 2011 until either the Company or Mr McDermott terminates the agreement.
- **Notice:** The Company may terminate the agreement at any time by giving six months' notice in writing. Mr McDermott may terminate the agreement at any time by giving six months' written notice to the Company or on one month's written notice to the Company if a 'fundamental change' to his employment occurs or the Company has failed to remedy a notified breach of its obligations under the agreement. The Company may immediately terminate the agreement by giving written notice in certain circumstances, including if serious misconduct has occurred. The Company may elect to pay Mr McDermott in lieu of part or all of any notice period.
- **Base salary:** Mr McDermott's total fixed remuneration is \$250,000 per annum plus statutory superannuation.
- **Short-term incentive:** Mr McDermott is eligible to receive an annual short-term incentive payment on terms decided by the Board. No short-term incentive payment was included in Mr McDermott's remuneration package for financial year 2023.
- **Long-term incentive:** Mr McDermott is eligible to participate in the Company's long-term incentive arrangements (as amended or replaced) on terms decided by the Board, subject to necessary shareholder approvals.

Mr McDermott's remuneration package for financial year 2023 included an incentive in the form of a grant of 3,526,595 share performance rights, subject to the following conditions:

Number of Performance Rights	Performance Hurdle
1,199,043	The portion of the Performance Rights that are subject to the Relative TSR ("RTSR") Performance Hurdle will be tested against S&P/ASX All Ordinary Gold Index and will only be eligible to vest and become exercisable into Shares at the end of the performance period (being 1 July 2022 and 30 June 2025) if the Company's RTSR is at least equal to the index. Once equal to the index a percentage of the performance rights will vest, with a further percentages of the performance rights vesting based on percentage over the index.
1,163,776	The portion of the Performance Rights that are subject to the Absolute TSR ("ATSR") Performance Hurdle will only vest and become exercisable into Shares at the end of the performance period (being 1 July 2022 and 30 June 2025) if the Company's

	ATSR outcome is above the threshold performance TSR target, defined as 10% annualised growth in share price over the Company's 30 day VWAP share price ending 30 June 2022, for the performance period. The percentage of Performance Rights that vest will depend on the Company's ATSR performance.
1,163,776	The portion of the Performance Rights that are subject to the Reserves Per Share ("RPS") Performance Hurdle will be tested against the Company's growth in Ore Reserves Per Share of Reported Gold metal ounces in Reserves as at 31 December 2021, calculated by measuring the growth over the three and a half year performance period by comparing the baseline measure of the Ore Reserve as at 31 December 2021 (" Baseline Ore Reserves ") to the Ore Reserves as at 30 June 2025 on a per share basis, based on the number of shares on issue at that date with the testing performed following the end of the FY25 financial year. The percentage of Percentage Rights that will vest will depend on the RPS Performance Hurdle achieved.

- **Termination payments:** If Mr McDermott's employment is terminated by the Company for any reason (other than in circumstances warranting summary dismissal), Mr McDermott is entitled to a retirement benefit calculated as one month's total fixed remuneration, plus two weeks' total fixed remuneration for each completed or part-completed year of continuous service with the Company. If Mr McDermott resigns within six months of a 'fundamental change', Mr McDermott is entitled to a lump sum payment equivalent to six months' total fixed remuneration.

• **Chief Financial Officer**

On 1 April 2021, Mr Hissey was appointed Chief Financial Officer of the Company. On 30 June 2023 as a result of the Navarre Group being placed into voluntary administration on 19 June 2023, Mr Hissey was terminated.

Mr Hissey was employed by the Company on a full-time basis pursuant to an executive service agreement (and subsequent variations), which contains the following major terms:-

- **Term:** From 1 April 2021 until either the Company or Mr Hissey terminates the agreement.
- **Notice:** The Company may terminate the agreement at any time by giving three months' notice in writing. Mr Hissey may terminate the agreement at any time by giving three months' written notice to the Company or on one month's written notice to the Company if a 'fundamental change' to his employment occurs or the Company has failed to remedy a notified breach of its obligations under the agreement. The Company may immediately terminate the agreement by giving written notice in certain circumstances, including if serious misconduct has occurred. The Company may elect to pay Mr Hissey in lieu of part or all of any notice period.
- **Base salary:** Mr Hissey's total fixed remuneration is \$300,000 per annum plus statutory superannuation.
- **Short-term incentive:** Mr Hissey is eligible to receive an annual short-term incentive payment on terms decided by the Board. No short-term incentive payment was included in Mr Hissey's remuneration package for financial year 2023.
- **Long-term incentive:** Mr Hissey is eligible to participate in the Company's long-term incentive arrangements (as amended or replaced) on terms decided by the Board.

Mr Hissey's remuneration package for financial year 2023 included an incentive in the form of a grant of 4,231,915 share performance rights, subject to the following conditions:

Number of Performance Rights	Performance Hurdle
1,438,851	The portion of the Performance Rights that are subject to the Relative TSR ("RTSR") Performance Hurdle will be tested against S&P/ASX All Ordinary Gold Index and will only be eligible to vest and become exercisable into Shares at the end of the performance period (being 1 July 2022 and 30 June 2025) if the Company's RTSR is at least equal to the index. Once equal to the index a percentage of the performance rights will vest, with a further percentages of the performance rights vesting based on percentage over the index.
1,396,532	The portion of the Performance Rights that are subject to the Absolute TSR ("ATSR") Performance Hurdle will only vest and become exercisable into Shares at the end of the performance period (being 1 July 2022 and 30 June 2025) if the Company's ATSR outcome is above the threshold performance TSR target, defined as 10% annualised growth in share price over the Company's 30 day VWAP share price

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	ending 30 June 2022, for the performance period. The percentage of Performance Rights that vest will depend on the Company's ATSR performance.
1,396,532	The portion of the Performance Rights that are subject to the Reserves Per Share ("RPS") Performance Hurdle will be tested against the Company's growth in Ore Reserves Per Share of Reported Gold metal ounces in Reserves as at 31 December 2021, calculated by measuring the growth over the three and a half year performance period by comparing the baseline measure of the Ore Reserve as at 31 December 2021 (" Baseline Ore Reserves ") to the Ore Reserves as at 30 June 2025 on a per share basis, based on the number of shares on issue at that date with the testing performed following the end of the FY25 financial year. The percentage of Percentage Rights that will vest will depend on the RPS Performance Hurdle achieved.

- **Termination payments:** If Mr Hissey's employment is terminated by the Company for any reason (other than in circumstances warranting summary dismissal), Mr Hissey is entitled to a retirement benefit calculated as one month's total fixed remuneration, plus two weeks' total fixed remuneration for each completed or part-completed year of continuous service with the Company.

Company performance

With the exception of short-term and long-term incentives, the remuneration of executives and consultants is not linked to financial performance measures of the Company. In financial year 2023 there were no short-term incentive payments. Long-term incentives granted to executives are linked to improvements in the Company's share price.

In accordance with Section 300A of the *Corporations Act 2001*, the following table summarises Navarre's performance over a five-year period:

	2023*	2022	2021	2020	2019	2018
Net profit/(loss) - \$000	(67,857)	(3,088)	(2,724)	(984)	(866)	(1,251)
Basic earnings/(loss) per share – cents per share	(4.59)	(0.28)	(0.50)	(0.21)	(0.22)	(0.47)
Share price at the beginning of year - \$	\$0.043	\$0.094	\$0.110	\$0.084	\$0.059	\$0.032
Share price at end of year - \$	\$0.019	\$0.043	\$0.094	\$0.110	\$0.084	\$0.059
Dividends per share – cents	Nil	Nil	Nil	Nil	Nil	Nil

*Note results have been impacted the Navarre Group going into the voluntary administration on the 19 June 2023. In addition to this 21 June 2023, McGrath Nichol were appointed receivers and managers of Navarre Minerals Queensland Pty Ltd. As a result, Navarre Minerals Limited, effectively lost control of Navarre Minerals Queensland Pty Ltd and the Mt Carlton operations on this date. Reporting on Navarre Minerals Queensland Pty Ltd and all assets held by that entity ceased as of this date.

Remuneration of Key Management Personnel of the Company

Details of the remuneration of key management personnel are set out in the following tables.

Table 2: Remuneration for the year ended 30 June 2023

	Short term			Post Employ ment	Share- based Payment	Long term	Total	Perfor- mance Related
	Directors fees \$	Salary/ Consulti ng fees \$	STI cash bonus \$	Super- annuati on benefit s \$	Equity- Settled ¹ \$	Long service leave \$	\$	%
Non– executive directors								
K Wilson ⁷	55,000	-	-	5,775	4,398	-	65,173	6.7
G Campbell- Cowan ²	40,394	-	-	4,242	(898)	-	43,738	2.1
J Gurry ^{3,7}	3,814	-	-	400	-	-	4,214	-
Sub-total non-executive directors	99,208	-	-	10,417	3,500	-	113,125	3.1
Executives								
I Holland ^{5,7}	-	275,000	-	23,183	91,828	-	390,011	23.5
G McDermott ⁴	-	250,000	-	25,293	(8,016)	-	267,277	(3.0)
P Hissey ⁶	-	300,000	-	25,293	138,653	-	463,946	29.9
Sub-total executive KMP	-	825,000	-	73,769	222,465	-	1,121,234	19.8
TOTAL	99,208	825,000	-	84,186	225,965	-	1,234,359	18.3

¹Refer note 47 to the consolidated financial statements for fair value calculation of options and performance rights.

²Mr Campbell-Cowan resigned as a non-executive director on 3 May 2023. Note negative equity settled figure due to forfeiture on voluntary resignation.

³Mr James Gurry was appointed as a non-executive director on 3 May 2023.

⁴Mr Geoff McDermott resigned in his role as Technical Director on 9 June 2023. Note negative equity settled figure due to forfeiture on voluntary resignation.

⁵Mr Ian Holland was terminated from his role as Managing Director on 30 June 2023, as a result of the Navarre Group being placed into voluntary administration on 19 June 2023, however remained a non-executive director of the Company.

⁶Mr Paul Hissey was terminated from his role as Chief Financial Officer on 30 June 2023, as a result of the Navarre Group being placed into voluntary administration on 19 June 2023. In accordance with AASB2 Share Based Payments, any remaining expense in relation to share based payments is fully recognised at the date of termination.

⁷K Wilson, J Gurry and I Holland all elected to not take director fees or salary for the month of June 2023.

REMUNERATION REPORT (Audited) (cont.)

Table 3: Remuneration for the year ended 30 June 2022

	Short term			Post Employment	Share- based Payment	Long term	Total	Perfor- mance Related
	Directors fees \$	Salary/ Consult- ing fees \$	STI cash bonus \$	Super- annuation benefits \$	Equity- Settled ¹ \$	Long service leave \$	\$	%
Non– executive directors								
K Wilson	60,000	-	-	6,000	11,837	-	77,837	15.2
G Campbell- Cowan ²	29,973	-	-	2,997	4,848	-	37,818	12.8
Sub-total non- executive directors	89,973	-	-	8,997	16,685	-	115,655	10.2
Executives								
I Holland	-	300,000	-	23,568	86,458	-	410,026	21.1
G McDermott	-	246,068	-	27,500	38,246	32,075	343,889	11.1
P Hissey	-	260,000	-	22,784	31,067	-	313,851	9.9
Sub-total executive KMP	-	806,068	-	73,852	155,771	32,075	1,067,766	14.6
TOTAL	89,973	806,068	-	82,849	172,456	32,075	1,183,421	14.2

¹Refer note 47 to the consolidated financial statements for fair value calculation of options and performance rights.

²Mr Campbell-Cowan was appointed as a non-executive director on 16 November 2021.

Equity instruments issued as remuneration to KMP

(a) Share options

The following key management personnel remuneration-related options lapsed during the reporting period.

Table 4: Share options granted, vested and lapsed during the year

	Number of options granted during FY23	Grant date	Fair value per option at grant date (\$)	Expiry Date	Vest Date	Number of options vested during FY23	Number of options lapsed during FY23
Directors							
K Wilson	-	10 Apr 18	0.048	10 Apr 23	10 Apr 18	1	- 900,000
Executives							
G McDermott	-	10 Apr 18	0.048	10 Apr 23	10 Apr 18	1	- 1,000,000
G McDermott	-	10 Apr 18	0.050	10 Apr 23	10 Apr 19	1	- 1,000,000
G McDermott	-	10 Apr 18	0.054	10 Apr 23	10 Apr 20	1	- 1,000,000

¹ Closing share price must exceed exercise price for 10 consecutive trading days after the vesting date.

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Table 5: Value of share options granted, exercised and lapsed during the year

	Value of options granted during the year \$	Value of options exercised during the year \$	Value of options lapsed during the year \$
Directors			
K Wilson	-	-	42,761
Executives			
G McDermott	-	-	151,846

(b) Share performance rights

Table 6: Performance rights granted, vested and lapsed during the year

	Number of rights granted during FY23	Grant date	Fair value per right at grant date (\$)	Expiry Date	Vest Date	Number of rights vested during FY23	Number of rights lapsed during FY23
Directors							
I Holland	1,678,660	25 Nov 22	0.020	30 Jun 27	30 Jun 25	-	-
I Holland	1,629,287	25 Nov 22	0.018	30 Jun 27	30 Jun 25	-	-
I Holland	1,629,287	25 Nov 22	0.037	30 Jun 27	30 Jun 25	-	-
Executives							
G McDermott	1,199,043	25 Nov 22	0.020	30 Jun 27	30 Jun 25	-	-
G McDermott	1,163,776	25 Nov 22	0.018	30 Jun 27	30 Jun 25	-	-
G McDermott	1,163,776	25 Nov 22	0.037	30 Jun 27	30 Jun 25	-	-
P Hissey	1,438,851	25 Nov 22	0.020	30 Jun 27	30 Jun 25	-	-
P Hissey	1,396,532	25 Nov 22	0.018	30 Jun 27	30 Jun 25	-	-
P Hissey	1,396,532	25 Nov 22	0.037	30 Jun 27	30 Jun 25	-	-

Unvested share performance rights expire on the earlier of their expiry date or termination of the employee's employment and vested share performance rights expire on the earlier of their expiry date or three months from the date of termination of the employee's employment. These performance rights do not entitle the holder to participate in any share issue of the Company.

These performance rights were subsequently cancelled post the balance date by the Deed Administrator as part of the DOCA process.

Table 7: Shares issued on exercise of performance rights:

	No. of shares
Directors	
G Campbell-Cowan	50,000
I Holland	612,246
G McDermott	382,652
Executives	
P Hissey	400,000

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Table 8: Value of share performance rights granted, exercised and lapsed during the year

	Value of rights granted during the year \$	Value of rights exercised during the year \$	Value of rights lapsed during the year \$
Directors			
K Wilson	-	-	-
G Campbell- Cowan	-	3,950	-
J Gurry	-	-	-
Executives			
I Holland	123,814	48,367	-
G McDermott	87,989	30,230	-
P Hissey	105,586	38,400	-

For details on the valuation of performance rights, please refer to note 47 to the consolidated financial statements.

Additional disclosures relating to shares, options and performance rights held by KMP

(a) Movements in shares held by KMP

The movement during the reporting period in the number of ordinary shares in Navarre Minerals Limited held directly, indirectly or beneficially, by key management personnel, including their related parties, is as follows:

	Held at 1 July 2022	Purcha ses	Received on Exercise of Options	Received on Exercise of Performance Rights	Sales	Other	Held at 30 June 2023
Shares held in Navarre Minerals Limited (number)							
Directors							
K Wilson	14,360,630	-	-	-	-	-	14,360,630
G Campbell- Cowan	475,757	-	-	-	-	475,757 ¹	-
I Holland	16,087,879	-	-	612,246	-	-	16,700,125
G McDermott	14,593,670	-	-	382,652	2,912,534 ²	12,063,788 ³	-
Executives							
P Hissey	1,433,333	-	-	400,000	-	1,833,000 ⁴	-

¹Shareholding at resignation on 3 May 2023.

²On-market sale.

³Shareholding at resignation on 9 June 2023 were 12,000,000 along with a 63,788 off-market transfer of adult child shares held in trust.

⁴Shareholding at termination on 30 June 2023.

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For the year ended 30 June 2023

(b) Movements in options held by KMP

The movement during the reporting period in the number of options over ordinary shares in Navarre Minerals Limited held, directly, indirectly and beneficially by key management personnel, including their related parties is as follows:

	Held at 1 July 2022	Granted as Remuneration	Options Exercised	Options Lapsed	Held at 30 June 2023	Vested in 2023	Vested and exercisable at 30 June 2023	Unvested at 30 June 2023
Options held in Navarre Minerals Limited (number)								
Directors								
K Wilson	1,700,000	-	-	900,000	1,700,000	800,000	800,000	-
Executives								
G McDermott	5,000,000	-	-	3,000,000	2,000,000	2,000,000	2,000,000	-

(c) Movements in performance rights over held by KMP

The movement during the reporting period in the number of performance rights over ordinary shares in Navarre Minerals Limited held, directly, indirectly and beneficially by key management personnel, including their related parties is as follows:

	Held at 1 July 2022	Granted as Remuneration	Performance Rights Exercised	Performance Rights Lapsed	Held at 30 June 2023	Vested in 2023	Vested and exercisable at 30 June 2023	Unvested at 30 June 2023
Performance Rights held in Navarre Minerals Limited (number)								
Directors								
K Wilson	275,510	-	-	-	275,510	91,836	91,836	183,674
I Holland	3,448,980	4,937,234	612,246	-	7,773,968	1,112,246	1,612,246	7,273,968
G McDermott ²	1,275,510	3,526,595	382,652	4,419,453	-	382,652	-	-
G Campbell-Cowan	150,000	-	50,000 ¹	100,000	-	50,000	-	-
Executives								
P Hissey ³	1,200,000	4,231,915	400,000	5,031,915	-	400,000	-	-

¹G Campbell-Cowan resign on 3 May 2023, performance rights exercised subsequent to resignation.

²G McDermott resigned as Technical Director on 9 June 2023.

³P Hissey was terminated from his role as Chief Financial Officer on 30 June 2023, as a result of the Navarre Group being placed into voluntary administration on 19 June 2023.

Non-executive director remuneration arrangements

The Company's Constitution and the ASX Listing Rules specify that the aggregate remuneration of non-executive directors must be determined from time to time by members in a general meeting. An amount not exceeding the amount determined is then divided between the directors as agreed. The maximum aggregate annual remuneration for non-executive directors is currently set at \$300,000 per annum. Any increase in this amount will require shareholder approval at a general meeting.

Non-executive directors are remunerated at marketplace levels by way of fixed fees, usually in the form of cash and statutory superannuation contributions, and (from time to time, as appropriate) options and performance rights issued through the Company's EIP. For the reporting period, the Chairman was entitled to receive \$60,000 per annum (excluding statutory superannuation) and the other non-executive director was entitled to receive \$48,000 per annum (excluding statutory superannuation). Following shareholder approval at the Company's annual general meeting

In addition to directors' fees, the directors are entitled to be paid all travelling and other expenses they incur in attending to the Company's affairs, including attending and returning from general meetings of the Company or meetings of the Board or of committees of the Board. No additional remuneration is paid to directors for service on board committees or on the boards of wholly owned subsidiaries, but additional remuneration may be paid to directors if they are called upon to perform extra services or make any special exertion for the purposes of the Company.

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The non-executive directors have no leave entitlements and do not receive any retirement benefits, other than statutory superannuation and salary sacrifice superannuation (if directors wish to exercise their discretion to make additional superannuation contributions by way of salary sacrifice).

This concludes the Remuneration report.

AUDITOR

RSM Australia Partners continues in office in accordance with section 327 of the Corporations Act 2001.

CORPORATE GOVERNANCE STATEMENT

The Company's Corporate Governance Statement for the year ended 30 June 2023, ASX Appendix 4G (Key to Disclosure of Corporate Governance Principles and Recommendations) and other ancillary corporate governance related documents may be accessed from the Company's website at www.navarre.com.au/corporate-governance/.

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

On behalf of the Directors



James Gurry
Managing Director
Melbourne, 30 August 2024

RSM Australia Partners

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Navarre Minerals Limited for the year ended 30 June 2023, 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 audit.

**RSM AUSTRALIA PARTNERS**

R J MORILLO MALDONADO
Partner

Dated: 30 August 2024
Melbourne, Victoria

Navarre Minerals Limited
Consolidated statement of profit or loss and other comprehensive income
For the year ended 30 June 2023

	Note	Consolidated 2023 \$	2022 \$ Restated
Revenue			
Other income	6	338,780	1,097,284
Expenses			
Transaction and integration costs	7	(5,455)	(9,443,304)
Corporate and other administration expenses	8	(5,721,858)	(2,485,105)
Share of losses of investments accounted for using equity method		(758,388)	-
Exploration expenditure written-off		(544,211)	(57,728)
Finance costs		(373,102)	-
Loss before income tax (expense)/benefit from continuing operations		(7,064,234)	(10,888,853)
Income tax (expense)/benefit	9	309,753	3,275,577
Loss after income tax (expense)/benefit from continuing operations		(6,754,481)	(7,613,276)
Loss after income tax (expense)/benefit from discontinued operations	10	(60,102,904)	4,525,411
Loss after income tax (expense)/benefit for the year attributable to the owners of Navarre Minerals Limited		<u>(66,857,385)</u>	<u>(3,087,865)</u>
Other comprehensive income/(loss)			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Loss on the revaluation of financial assets at fair value through other comprehensive income, net of tax		570,000	(570,000)
Other comprehensive income/(loss) for the year, net of tax		<u>570,000</u>	<u>(570,000)</u>
Total comprehensive income for the year attributable to the owners of Navarre Minerals Limited		<u><u>(66,287,385)</u></u>	<u><u>(3,657,865)</u></u>
Total comprehensive income for the year is attributable to:			
Continuing operations		(6,184,481)	(8,183,276)
Discontinued operations		(60,102,904)	4,525,411
		<u><u>(66,287,385)</u></u>	<u><u>(3,657,865)</u></u>

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

Navarre Minerals Limited
Consolidated statement of profit or loss and other comprehensive income
For the year ended 30 June 2023

		Cents	Cents
Loss per share from continuing operations attributable to the owners of Navarre Minerals Limited			
Basic loss per share	46	(0.46)	(0.69)
Diluted loss per share	46	(0.46)	(0.69)
(Loss)/earnings per share from discontinued operations attributable to the owners of Navarre Minerals Limited			
Basic (loss)/earnings per share	46	(4.13)	0.41
Diluted (loss)/earnings per share	46	(4.13)	0.41
Loss per share attributable to the owners of Navarre Minerals Limited			
Basic loss per share	46	(4.59)	(0.28)
Diluted loss per share	46	(4.59)	(0.28)

The above consolidated statement of profit or loss and other comprehensive income for the year ended 30 June 2022 has been restated for discontinued operations. Refer to note 10 for detailed information on Discontinued operations.

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

Navarre Minerals Limited
Consolidated statement of financial position
As at 30 June 2023

	Note	Consolidated 2023 \$	2022 \$
Assets			
Current assets			
Cash and cash equivalents	11	77,910	12,806,285
Trade and other receivables	12	158,213	3,409,030
Contract assets	13	-	2,958,019
Inventories	14	-	14,135,777
Other financial assets	17	180,802	20,000
Total current assets		<u>416,925</u>	<u>33,329,111</u>
Non-current assets			
Investments accounted for using the equity method	15	761,612	-
Financial assets at fair value through other comprehensive income	16	-	950,000
Other financial assets	17	198,976	411,990
Right-of-use assets	18	61,451	1,014,981
Leasehold improvement	19	27,140	34,055
Property, plant and equipment	20	158,144	51,880,986
Mine properties and development	21	-	26,476,300
Exploration and evaluation	22	32,115,420	44,149,044
Deferred tax		-	1,017,236
Total non-current assets		<u>33,322,743</u>	<u>125,934,592</u>
Total assets		<u>33,739,668</u>	<u>159,263,703</u>
Liabilities			
Current liabilities			
Trade and other payables	23	307,031	14,469,582
Lease liability	24	11,953	159,928
Derivative financial instruments	25	765,251	-
Employee benefits	26	314,768	5,440,453
Interest bearing liabilities	28	530,558	371,074
Convertible notes	29	3,408,941	-
Total current liabilities		<u>5,338,502</u>	<u>20,441,037</u>
Non-current liabilities			
Lease liability	24	37,891	859,767
Employee benefits	26	-	245,112
Rehabilitation provision	27	-	31,236,326
Interest bearing liabilities	28	-	38,072
Contingent consideration	30	-	13,418,000
Total non-current liabilities		<u>37,891</u>	<u>45,797,277</u>
Total liabilities		<u>5,376,393</u>	<u>66,238,314</u>
Net assets		<u>28,363,275</u>	<u>93,025,389</u>
Equity			
Issued capital	31	108,188,962	108,050,215
Reserves	32	2,266,577	210,053
Accumulated losses		<u>(82,092,264)</u>	<u>(15,234,879)</u>
Total equity		<u>28,363,275</u>	<u>93,025,389</u>

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

Navarre Minerals Limited
Consolidated statement of changes in equity
For the year ended 30 June 2023

Consolidated	Issued capital \$	Share based payment reserve \$	Net unrealised gain reserve \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2021	51,813,994	907,604	-	(12,275,367)	40,446,231
Loss after income tax benefit for the year	-	-	-	(3,087,865)	(3,087,865)
Other comprehensive income for the year, net of tax	-	-	(570,000)	-	(570,000)
Total comprehensive income for the year	-	-	(570,000)	(3,087,865)	(3,657,865)
<i>Transactions with owners in their capacity as owners:</i>					
Contributions of equity, net of transaction costs (note 31)	55,913,921	-	-	-	55,913,921
Share-based payments (note 47)	-	323,102	-	-	323,102
Cost of equity instruments exercised	322,300	(322,300)	-	-	-
Lapsed performance rights (note 47)	-	(128,353)	-	128,353	-
Balance at 30 June 2022	<u>108,050,215</u>	<u>780,053</u>	<u>(570,000)</u>	<u>(15,234,879)</u>	<u>93,025,389</u>

Consolidated	Issued capital \$	Share based payment reserve \$	Net unrealised gain reserve \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2022	108,050,215	780,053	(570,000)	(15,234,879)	93,025,389
Loss after income tax expense for the year	-	-	-	(66,857,385)	(66,857,385)
Other comprehensive income for the year, net of tax	-	-	570,000	-	570,000
Total comprehensive income/(loss) for the year	-	-	570,000	(66,857,385)	(66,287,385)
<i>Transactions with owners in their capacity as owners:</i>					
Share-based payments (note 46)	-	959,550	-	-	959,550
Cost of equity instruments exercised (note 31)	154,545	(154,545)	-	-	-
Costs of issues (note 31)	(15,798)	-	-	-	(15,798)
Convertible note (note 29, 32)	-	681,519	-	-	681,519
Balance at 30 June 2023	<u>108,188,962</u>	<u>2,266,577</u>	<u>-</u>	<u>(82,092,264)</u>	<u>28,363,275</u>

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

Navarre Minerals Limited
Consolidated statement of cash flows
For the year ended 30 June 2023

	Note	Consolidated 2023 \$	2022 \$
Cash flows from operating activities			
Receipts from customers		76,572,925	112,138,739
Payments to suppliers and employees		(87,453,341)	(92,160,865)
Payments for transaction and integration costs		-	(9,340,840)
		(10,880,416)	10,637,034
Interest received		3,950	813
Other		(4,324,015)	-
Interest and other finance costs paid		(1,744,090)	(16,575)
Receipt of government grants		-	20,000
Net cash (used in)/from operating activities	45	(16,944,571)	10,641,272
Cash flows from investing activities			
Payment for purchase of business, net of cash acquired		-	(30,364,233)
Redemption / (payments) for other financial assets		(583,759)	(241,990)
Payments for property, plant and equipment		(29,608)	(5,196,542)
Payments for exploration and evaluation		(2,961,461)	(11,047,199)
Payment for mine properties and development		(3,763,612)	(2,636,303)
Proceeds from disposal of property, plant and equipment		84,545	130,600
Net cash used in investing activities		(7,253,895)	(49,355,667)
Cash flows from financing activities			
Proceeds from issue of shares	31	-	41,476,595
Transaction costs on issue of shares		(16,576)	(2,794,875)
Proceeds from borrowings		16,314,345	1,244,553
Repayment of interest- bearing liability		(4,121,725)	(835,408)
Repayment of lease liability		(618,028)	(1,169,883)
Net cash from financing activities		11,558,016	37,920,982
Net decrease in cash and cash equivalents		(12,640,450)	(793,413)
Cash and cash equivalents at the beginning of the financial year		12,806,285	14,095,825
Effects of exchange rate changes on cash and cash equivalents		(87,925)	(496,127)
Cash and cash equivalents at the end of the financial year	11	<u>77,910</u>	<u>12,806,285</u>

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

Navarre Minerals Limited
Notes to the consolidated financial statements
30 June 2023

Note 1. General information

The financial statements cover Navarre Minerals Limited as a Consolidated entity consisting of Navarre Minerals Limited ("the Company", "Navarre" or "Navarre Minerals") and the entities it subsidiaries (collectively "Consolidated entity" or "the Group") at the end of, or during, the year. The financial statements are presented in Australian dollars, which is Navarre Minerals Limited's functional and presentation currency.

Navarre Minerals Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Registered office and Principal place of business

Level 4, 100 Albert Road, South Melbourne, VIC 3205

A description of the nature of the Consolidated entity's operations and its principal activities are included in the Directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 30 August 2024. The Directors have the power to amend and reissue the financial statements.

Note 2. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Consolidated entity for the annual reporting period ended 30 June 2023. A preliminary assessment has been made and based on the assessment, there is no material impact on the of these new or amended Accounting Standards and Interpretations on the Consolidated entity.

New or amended Accounting Standards and Interpretations adopted

The Consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention

The financial statements have been prepared under a historical cost convention, except for investments in equity instruments which are measured at fair value.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 4.

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the Consolidated entity only. Supplementary information about the parent entity is disclosed in note 41.

Note 2. Significant accounting policies (continued)

Basis of consolidation

The consolidated financial statements comprise the financial statements of Navarre Minerals Limited and its subsidiaries as at 30 June 2023 and the results of all the subsidiaries for the year then ended ("Group").

Subsidiaries are all those entities over which the Group has the power to govern the financial and operating policies so as to obtain benefits from their activities.

The financial statements of subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. In preparing the consolidated financial statements, all intercompany balances and transactions, income, expenses and profit and losses from intra group transactions, have been eliminated in full. Subsidiaries are fully consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group.

Operating segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

Foreign currency translation

The financial statements are presented in Australian dollars, which is Navarre Minerals Limited's functional and presentation currency.

Foreign currency transactions

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Revenue recognition

The Consolidated entity recognises revenue as follows:

Revenue from contracts with customers

The Group generates sales revenue from the performance obligation to deliver goods such as gold and concentrate to the buyer. Revenue from contracts with customers is recognised when the performance obligations are met, which are deemed to satisfy when control of the goods are transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

For gold doré sales, revenue is recognised at the point where the doré leaves the gold room at the Group's mine site to the buyer or where gold metal credits are transferred to the customer's account.

For concentrate sales, revenue is recognised generally upon receipt of the bill of lading when the commodity is delivered for shipment. The transaction price for each contract is allocated entirely to this performance obligation.

The terms of metal in concentrate sales contracts with third parties, contain provisional pricing arrangements whereby the final selling price for metal in concentrate is based on prevailing average monthly prices on a specified future period after shipment to the customer (quotation period). Adjustments to the sales price occur based on movements in quoted market prices up to the final settlement price specified in the sales contracts. The period between provisional invoicing and final settlement is typically one to three months. Revenue on provisionally priced sales is recognised based on the estimated fair value of the total consideration receivable.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Note 2. Significant accounting policies (continued)

Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Income taxes relating to items recognised directly in equity are recognised in equity and not in the consolidated statement of comprehensive income.

Navarre Minerals Limited (the 'head entity') and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime.

The head entity and the controlled entities in the tax consolidated group continue to account for their own current and deferred tax amounts. The Group has applied the group allocation approach in determining the appropriate amount of current taxes and deferred taxes to allocate to members of the tax consolidated group. The current and deferred tax amounts are measured in a systematic manner that is consistent with the principles in AASB 112 Income Taxes.

In addition to its own current and deferred tax amounts, the head entity also recognises current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated group.

Discontinued operations

A discontinued operation is a component of the Consolidated entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately on the face of the statement of profit or loss and other comprehensive income.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

Note 2. Significant accounting policies (continued)

A liability is classified as current when: it is either expected to be settled in the Consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Cash and cash equivalents

Cash and cash equivalents in the consolidated statement of financial position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30-90 days.

The Consolidated entity has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Contract assets

Contract assets are recognised when the Consolidated entity has transferred goods or services to the customer but where the Consolidated entity is yet to establish an unconditional right to consideration. Contract assets are treated as financial assets for impairment purposes.

Inventories

Ore stockpiles, metal in circuit, gold doré, metal in transit, refined gold bullion and concentrate are physically measured or estimated and valued at the lower of cost and net realisable value. Cost represents the weighted average cost and includes direct costs and an appropriate portion of fixed and variable production overhead expenditure, including depreciation and amortisation, incurred in converting materials into finished goods.

Materials and supplies are valued at the lower of cost and net realisable value. Any provision for obsolescence is determined by reference to stock items identified. A regular and ongoing review is undertaken to establish the extent of surplus items and a provision is made for any potential loss on their disposal.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Derivative financial instruments

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

Derivatives are classified as current or non-current depending on the expected period of realisation.

Note 2. Significant accounting policies (continued)

Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, the carrying value is written off.

Financial assets at fair value through profit or loss

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income include equity investments which the Group intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

Impairment of financial assets

The Group assesses, at each reporting date, whether there is objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that has occurred since the initial recognition of the asset (an incurred 'loss event') has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Associates

Associates are entities over which the Consolidated entity has significant influence but not control or joint control. Investments in associates are accounted for using the equity method. Under the equity method, the share of the profits or losses of the associate is recognised in profit or loss and the share of the movements in equity is recognised in other comprehensive income. Investments in associates are carried in the statement of financial position at cost plus post-acquisition changes in the Consolidated entity's share of net assets of the associate. Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment. Dividends received or receivable from associates reduce the carrying amount of the investment.

When the Consolidated entity's share of losses in an associate equals or exceeds its interest in the associate, including any unsecured long-term receivables, the Consolidated entity does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

The Consolidated entity discontinues the use of the equity method upon the loss of significant influence over the associate and recognises any retained investment at its fair value. Any difference between the associate's carrying amount, fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

Financial assets at fair value through profit or loss

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income include equity investments which the Consolidated entity intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

Note 2. Significant accounting policies (continued)

Investments

Investments includes non-derivative financial assets with fixed or determinable payments and fixed maturities where the Consolidated entity has the positive intention and ability to hold the financial asset to maturity. This category excludes financial assets that are held for an undefined period. Investments are carried at amortised cost using the effective interest rate method adjusted for any principal repayments. Gains and losses are recognised in profit or loss when the asset is derecognised or impaired.

Impairment of financial assets

The Consolidated entity recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Consolidated entity's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

Property, plant and equipment

Plant and equipment is stated at cost less accumulated depreciation and any impairment losses. Cost equals the amount of cash or cash equivalents paid or the fair value of the other consideration given at acquisition date and includes expenditure that is directly attributable to the acquisition of the items and an estimate of future restoration costs specific to the asset.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance is expensed through profit or loss during the reporting period in which they are incurred.

An item of property, plant and equipment is derecognised when it is sold or otherwise disposed of, or when its use is expected to bring no future economic benefits. Any gain or loss from derecognising the asset is included in the statement of profit or loss in the period the item is derecognised.

Depreciation

Depreciation of plant and equipment is calculated using either the straight-line or units of production method to allocate their cost, net of their residual values. The rates range from 10% to 50% per annum for straight line or on a units of production basis in line with the economically recoverable reserves of the mine property at which the item is located.

Impairment

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Impairment exists when the carrying value of an asset exceeds its estimated recoverable amount. The asset is written down to its recoverable amount.

The recoverable amount of plant and equipment is the greater of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An item of property, plant and equipment is derecognised when it is sold or otherwise disposed of, or when its use is expected

Note 2. Significant accounting policies (continued)

to bring no future economic benefits. Any gain or loss from derecognising the asset is included in the statement of profit or loss in the period the item is derecognised.

Right-of-use assets and leases

At the inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset ("right-of-use" asset), the Group uses the definition of a lease in AASB 16.

Right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognised lease liabilities (included in finance costs).

The Group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Mining properties and development

Mine properties includes aggregate expenditure in relation to mine construction, mine development, exploration and evaluation expenditure where a development decision has been made and acquired mineral interests.

The cost of mine properties in development is accumulated separately for each area of interest in which economically recoverable ore reserves and mineral resources have been identified. This expenditure includes direct costs of construction, drilling costs and removal of overburden to gain access to the ore, borrowing costs capitalised during construction and an appropriate allocation of attributable overheads.

Mine properties in production represents expenditure in respect of exploration and evaluation, overburden removal based on underlying mining activities and related mining data and construction costs and development incurred or previously accumulated and carried forward in relation to properties in which mining has now commenced. Such expenditure comprises direct costs and an appropriate allocation of directly related overhead expenditure.

All expenditure incurred prior to commencement of production from each development property is carried forward to the extent to which recoupment out of future revenue from the sale of production, or from the sale of the property, is reasonably assured. When further development expenditure is incurred in respect of a mine property after commencement of commercial production, such expenditure is carried forward as part of the cost of the mine property only when future economic benefits are reasonably assured, otherwise the expenditure is classified as part of the cost of production and expensed as incurred. Such capitalised development expenditure is added to the total carrying value of mine development being amortised.

Mine properties are amortised on a units-of-production basis over the life of the mine.

Exploration and evaluation assets

Exploration and evaluation expenditure is carried at cost. If indication of impairment arises, the recoverable amount is estimated and an impairment loss is recognised to the extent that the recoverable amount is lower than the carrying amount.

Exploration and evaluation assets are accumulated separately for each current area of interest and carried forward provided that one of the following conditions is met:

- such costs are expected to be recouped through successful development or sale; or
- exploration activities have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable ore reserves, and active and significant operations in relation to the area are continuing.

Impairment of exploration and evaluation costs

To the extent that capitalised exploration and evaluation expenditure is determined not to be recoverable in the future, profits/(losses) and net assets will be varied in the period in which this determination is made.

Note 2. Significant accounting policies (continued)

Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and other payables

Trade and other payables are carried at amortised cost and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of the goods and services.

Interest bearing liabilities

Interest bearing liabilities are initially recognised at fair value less directly attributable transaction costs incurred and subsequently measured at amortised cost.

Finance costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the consolidated statement of comprehensive income net of any reimbursement.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the balance date. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. The increase in the provision resulting from the passage of time is recognised in finance costs.

Employee leave benefits

Wages, salaries, annual leave and sick leave

Liabilities for wage and salaries, including non-monetary benefits and annual leave entitlements expected to be settled within 12 months of the reporting date are recognised in provisions in respect of employees' service up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

Long service leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the reporting date in corporate bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Note 2. Significant accounting policies (continued)

Rehabilitation provision

Site restoration costs are recorded at the present value of the estimated future costs of the legal and constructive obligation to rehabilitate locations.

When the liability is initially recorded, the present value of the estimated cost is capitalised as part of the carrying value of the related mining assets. Over time, the discounted liability is increased for the change in the present value based on a discount rate that reflects current market assessments. Additional disturbances or changes in rehabilitation costs will be recognised as additions or changes to the corresponding asset and rehabilitation liability when incurred.

The unwinding of the effect of discounting the provision is recorded as a finance cost through profit or loss. The carrying amount of the rehabilitation asset is capitalised and amortised on a units of production basis.

Share-based payments

The Group provides benefits to employees and directors of the Group in the form of share-based payment transactions, whereby services are rendered in exchange for shares or rights over shares ('equity-settled transactions').

The cost of equity-settled transactions is measured by reference to the fair value at the date at which they are granted. The fair value of options and performance rights with market performance criteria is determined using a Monte Carlo pricing model. The fair value of performance rights with non-market performance criteria is determined using a Black Scholes or binomial option pricing model, which is comparable to the Company's closing share price on the trading day prior to grant.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the recipient becomes fully entitled to the award ('vesting date').

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the number of awards that, in the opinion of the directors, based on the best available information at balance date, will ultimately vest. No adjustment is made for the likelihood of market conditions being met as the effect of these conditions is included in determination of fair value at grant date. The charge or credit for the period represents the movement in cumulative expense recognised as at the beginning and end of the period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition.

Where the terms of an equity-settled award are modified, as a minimum, an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the value of the transaction as a result of the modification, as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options and performance rights is reflected as additional share dilution in the computation of earnings per share.

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Note 2. Significant accounting policies (continued)

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

Issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Business combinations

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the Consolidated entity assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the Consolidated entity's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

Where the business combination is achieved in stages, the Consolidated entity remeasures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of the contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of Navarre Minerals Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Note 2. Significant accounting policies (continued)

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Note 3. Going Concern

The financial statements have been prepared on a going concern basis which assumes the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

As disclosed in the financial statements, during the year ended 30 June 2023 the Group incurred a net loss after tax of \$6,754,481, excluding the loss from discontinued operations related to Navarre Minerals Queensland Pty Ltd and the Mt Carlton, and had net cash outflows from operating activities of \$16,944,571. In addition, as at 30 June 2023 the Group's current liabilities exceeded its current assets by \$4,921,577. The above factors indicate that a material uncertainty exist about the Group's ability to continue as a going concern.

On 19 June 2023 there was a significant change in the state of affairs the Company, with the directors choosing to place the Navarre Group into voluntary administration pursuant to section 436A of the Corporations Act 2001. On 21 June 2023, receivers and managers were appointed to Navarre Minerals Queensland Pty Ltd, with the appointment being made by one of the secured creditors. As a result, Navarre Minerals Limited lost control of Navarre Minerals Queensland Pty Ltd and the Mt Carlton operations on this date.

The Navarre Group, excluding Navarre Minerals Queensland Pty Ltd, entered a Deed of Company Arrangement (DOCA) in late 2023. The DOCA agreement provided the framework for Navarre to recapitalise and return to its heritage as a Victorian gold explorer.

On the 6 June 2024 it was announced that the first stage to recapitalise the Company had been completed via an approximate \$1.7m convertible debt issuance to sophisticated and professional investors. Part of the initial funding was used to pay the Deed Administrator and thereby satisfying the key condition to removing the Deed of Company Arrangement. The DOCA has been effectuated as confirmed by the Deed Administrator.

Management has prepared a cash flow forecast for a period exceeding 12 months from the approval date of these financial statements and believe the Group will be able to continue as a going concern. Having reviewed the cash flow forecast the directors have concluded that the Group will be in a position to continue to meet its liabilities and obligations for a period of at least twelve months from the date of signing this report. The cash flow forecast included the following matters:

- The Company is planning to commence the second step in its recapitalisation by way of a new equity issue immediately prior to the resumption of trading of its shares, expecting to raise between \$4 to \$6 million, to be finalised in September 2024.
- The Group's ability to scale back its operations to any funding constraints with flexibility to adjust timing and scope of some of its exploration and evaluation activities as required.

This financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the Group not continue as a going concern. Should the Group be unable to obtain the funding outlined above, there is material uncertainty as to whether the

Note 3. Going Concern (continued)

Group will be able to continue as a going concern, and therefore whether it will be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts from those stated in the annual financial report

Note 4. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Revenue from contracts with customers involving sale of goods

When recognising revenue in relation to the sale of goods to customers, the key performance obligation of the Consolidated entity is considered to be the point of delivery of the goods to the customer, as this is deemed to be the time that the customer obtains control of the promised goods and therefore the benefits of unimpeded access.

Provision for impairment of inventories

The provision for impairment of inventories assessment requires a degree of estimation and judgement. Costs incurred in or benefits of the productive process are accumulated as stockpiles, copper and other metals in process, ore on leach pads and product inventory. Net realisable value tests are performed at least annually and represent the estimated future sales price of the product based on prevailing metal prices, less estimated costs to complete production and bring the product to sale.

Stockpiles are measured by estimating the number of tonnes added and removed from the stockpile, the number contained metal ounces based on assay data, and the estimated recovery percentage based on the expected processing method. Stockpile tonnages are verified by periodic surveys.

Although the quantity of recoverable metal is reconciled by comparing the grades of the ore to the quantities of metals actually recovered (metallurgical balancing), the nature of the process inherently limits the ability to precisely monitor recoverability levels. As a result the metallurgical balancing process is constantly monitored and the engineering estimates are refined based on actual results over time.

Fair value measurement hierarchy

The Consolidated entity is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being: Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date; Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and Level 3: Unobservable inputs for the asset or liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.

The fair value of assets and liabilities classified as level 3 is determined by the use of valuation models. These include discounted cash flow analysis or the use of observable inputs that require significant adjustments based on unobservable inputs. Refer to note 35 for details.

Estimation of useful lives of assets

The Consolidated entity determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Note 4. Critical accounting judgements, estimates and assumptions (continued)

Goodwill and other indefinite life intangible assets

The Consolidated entity tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill and other indefinite life intangible assets have suffered any impairment, in accordance with the accounting policy stated in note 2. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

The Consolidated entity assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the Consolidated entity and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Income tax

The Consolidated entity is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Consolidated entity recognises liabilities for anticipated tax audit issues based on the Consolidated entity's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences only if the Consolidated entity considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Lease make good provision

A provision has been made for the present value of anticipated costs for future restoration of leased premises. The provision includes future cost estimates associated with closure of the premises. The calculation of this provision requires assumptions such as application of closure dates and cost estimates. The provision recognised for each site is periodically reviewed and updated based on the facts and circumstances available at the time. Changes to the estimated future costs for sites are recognised in the statement of financial position by adjusting the asset and the provision. Reductions in the provision that exceed the carrying amount of the asset will be recognised in profit or loss.

Warranty provision

In determining the level of provision required for warranties the Consolidated entity has made judgements in respect of the expected performance of the products, the number of customers who will actually claim under the warranty and how often, and the costs of fulfilling the conditions of the warranty. The provision is based on estimates made from historical warranty data associated with similar products and services.

Business combinations

As discussed in note 2, business combinations are initially accounted for on a provisional basis. The fair value of assets acquired, liabilities and contingent liabilities assumed are initially estimated by the Consolidated entity taking into consideration all available information at the reporting date. Fair value adjustments on the finalisation of the business combination accounting is retrospective, where applicable, to the period the combination occurred and may have an impact on the assets and liabilities, depreciation and amortisation reported.

Note 5. Operating segments

Identification of reportable operating segments

The Group is organised into one operating segment, being mining exploration operations. This operating segment is based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ("CODM")) in assessing performance and in determining the allocation of resources. Mining operations segment was discontinued and disposed during the year ended 30 June 2023.

The Group has identified one reportable segment, being mining exploration, which is based wholly in Australia. The segment details are therefore fully reflected in the body of the financial statements.

The CODM reviews EBITDA (earnings before interest, tax, depreciation and amortisation). The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

Note 5. Operating segments (continued)

Geographical information

The Group has one geographical segment, Australia.

Note 6. Other income

	Consolidated	
	2023	2022
	\$	\$
Net gain on disposal of property, plant and equipment *	-	1,096,558
Interest income	3,950	726
Miscellaneous income	8,771	-
Fair value gain on derivative liability	326,059	-
	<u>338,780</u>	<u>1,097,284</u>
Other income	<u>338,780</u>	<u>1,097,284</u>

* Represents the gain on sale of the Black Range tenement to Resource Base Limited and sale of scrapped assets

Note 7. Transaction and integration costs

	Consolidated	
	2023	2022
	\$	\$
Corporate and administration expense	5,455	225,773
Contractor, consultant and advisory	-	4,622,239
Stamp duty on business combination	-	4,595,292
	<u>5,455</u>	<u>9,443,304</u>
	<u>5,455</u>	<u>9,443,304</u>

Note: Represented transaction and integration costs for the acquisition of the Mt Carlton Operation during the year ended 30 June 2022.

Note 8. Corporate and other administration expenses

	Consolidated	
	2023	2022
	\$	\$
Consultants' fees and expenses	911,910	176,688
Directors' remuneration (non-executive)	109,625	98,970
Salaries and on-costs	2,476,110	1,989,164
Share based payments	950,870	323,102
Investor relations	172,782	186,920
Business development	55,119	-
Motor vehicle	10,803	6,707
Audit fees	135,253	111,120
Stock exchange, registry, and reporting costs	198,330	124,844
Travel	88,465	28,749
Depreciation and amortisation	190,768	78,441
Other administration	673,586	400,865
	<u>5,973,621</u>	<u>3,525,570</u>
Less: Capitalised to exploration and evaluation ¹	<u>(251,763)</u>	<u>(1,040,465)</u>
	<u>5,721,858</u>	<u>2,485,105</u>

Note 8. Corporate and other administration expenses (continued)

¹ The amount capitalised as exploration and evaluation costs, totalling \$251,763 (2022: \$1,040,465), forms part of the exploration and evaluation expenditure for the year as set out in note 22.

Note 9. Income tax

	Consolidated	
	2023	2022
	\$	\$
<i>Current income tax</i>		
Current income tax	-	-
Tax losses not recognised as probable	-	-
	-	-
<i>Deferred income tax</i>		
Origination and reversal of temporary differences	800,715	1,849,085
Tax losses brought to account offsetting temporary differences	218,290	-
	1,019,005	1,849,085
Income tax expense reported in the consolidated statement of comprehensive income	1,019,005	1,849,085

	Consolidated	
	2023	2022
	\$	\$
<i>Income tax expense</i>		
Continued operations	(309,753)	(3,275,577)
Discontinued operations	1,328,758	5,124,662
	1,019,005	1,849,085

	Consolidated	
	2023	2022
	\$	\$
Numerical reconciliation of income tax expense and tax at the statutory rate		
Loss before income tax (expense)/benefit from continuing operations	(7,064,233)	(10,888,853)
Loss before income tax (expense)/benefit from discontinued operations	(58,774,149)	9,650,073
	(65,838,382)	(1,238,780)
At the statutory 30% tax rate (2022: 30%)	(19,751,515)	(371,634)
Adjustment in respect of previous years	1,879,504	37,294
Share based payment expense	266,060	74,299
Non-deductible expenses	14,589,894	3,839,022
Recognition of previously unrecognised tax losses	-	(1,211,389)
Recognition of previously deductible temporary differences	4,035,061	(518,508)
Income tax expense reported in the consolidated statement of comprehensive income	1,019,005	1,849,085

	Consolidated	
	2023	2022
	\$	\$
Amounts charged/(credited) directly to equity		
Deferred tax assets	-	(975,077)
Deferred tax liabilities	-	-
	-	(975,077)

Note 9. Income tax (continued)

Tax consolidation

- (i) Members of the tax consolidated group
Navarre Minerals Limited and its 100% owned Australian resident subsidiaries have formed a tax consolidated group. Navarre Minerals Limited is the head entity of the tax consolidated group.
- (ii) Tax effect accounting by members of the tax consolidated group

Measurement method adopted under UIG 1052 Tax Consolidated Accounting

The head entity and the controlled entities in the tax consolidated group continue to account for their own current and deferred tax amounts. The Group has applied the group allocation approach in determining the appropriate amount of current taxes and deferred taxes to allocate to members of the tax consolidated group. The current and deferred tax amounts are measured in a systematic manner that is consistent with the principles in AASB 112 *Income Taxes*.

In addition to its own current and deferred tax amounts, the head entity also recognises current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated group.

Tax losses

At balance date, the Group has estimated unused gross tax losses of \$42.5 million (2022: \$27.0 million) that are available to offset against future taxable profits subject to continuing to meet relevant statutory tests. To the extent that it does not offset a net deferred tax liability, a deferred tax asset has not been recognised in the accounts for these unused losses because at this stage, management has assessed at this stage, there is no evidence that future taxable profit will be available to use against such losses.

In December 2020, the Company created JMEI tax credits \$667,649 related to FY2020 which were applied and distributed on a pro-rata basis to FY2020 eligible investors. The balance of unused JMEI tax credits from FY2020 (\$757,954) were carried forward to FY2021. In December 2021, the Company created JMEI tax credits totalling \$757,954, which were applied and distributed on a pro-rata basis to FY2020 eligible investors. Accordingly, carry forward tax losses will be reduced by \$2,526,510 (i.e. \$757,954 grossed up by 30%).

Note 10. Discontinued operations

Background

On 21 June 2023, McGrath Nichol were appointed receivers and managers of Navarre Minerals Queensland Pty Ltd. The appointment of receivers and managers was made by one of the secured creditors, Evolution Mining Limited (Evolution). As a result, control was transferred to the receivers appointed by Evolution, with Navarre Minerals Limited effectively losing control of Navarre Minerals Queensland Pty Ltd and the Mt Carlton operations on this date. As a consequence, the entity and Mt Carlton operations have been classified as discontinued operations.

The results of the discontinued operation, which have been include in the loss for the year-end:

	2023	Consolidated 2022
	\$	\$
Sales revenue	69,925,107	114,472,728
Cost of sales	<u>(74,297,690)</u>	<u>(102,482,916)</u>
Gross profit	<u>(4,372,583)</u>	<u>11,989,812</u>
Interest income	12,727	-
Other income	608,715	130,600
Other mine operating costs	(4,525,657)	(2,448,825)
Interest expense	(2,467,463)	(16,203)
Exploration expenditure written-off	(74,515)	(5,311)
Other expenses	<u>(107,256)</u>	<u>-</u>
Total expenses	<u>(10,926,031)</u>	<u>9,650,073</u>
(Loss)/profit before income tax expense	(10,926,031)	9,650,073
Income tax expense	<u>(1,328,758)</u>	<u>(5,124,662)</u>
(Loss)/profit after income tax expense	<u>(12,254,789)</u>	<u>4,525,411</u>
Gain on disposal of assets and liabilities	7,729,378	-
Intercompany loan write-off	<u>(55,577,493)</u>	<u>-</u>
(Loss)/profit after income tax (expense)/benefit from discontinued operations	<u><u>(60,102,904)</u></u>	<u><u>4,525,411</u></u>

Cash flow information

	2023	Consolidated 2022
	\$	\$
Net cash from operating activities	(10,023,137)	19,555,440
Net cash from investing activities	<u>(6,685,192)</u>	<u>(10,691,387)</u>
Net increase in cash and cash equivalents from discontinued operations	<u><u>(16,708,329)</u></u>	<u><u>8,864,053</u></u>

Note 10. Discontinued operations (Continued)

Details of the disposal

	Consolidated 2023 \$
Total sale consideration	
Gain on disposal of assets and liabilities	7,729,378
Intercompany loan write-off	(55,577,493)
Loss on disposal before income tax	(10,926,031)
Income tax benefit/(expense)	(1,328,758)
	<u>(60,102,904)</u>
Loss on disposal after income tax	<u>(60,102,904)</u>

Note 11. Cash and cash equivalents

	Consolidated 2023 \$	2022 \$
<i>Current assets</i>		
Cash at bank	67,290	12,806,285
Cash on deposit	10,620	-
	<u>77,910</u>	<u>12,806,285</u>

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

Note 12. Trade and other receivables

	Consolidated 2023 \$	2022 \$
<i>Current assets</i>		
Trade receivables	5,513	-
Goods and services tax refund	-	2,125,789
Other receivables	-	94,833
Prepayment	152,700	1,120,909
Prepaid Tandarra joint venture advance	-	67,499
	<u>158,213</u>	<u>3,409,030</u>

At balance dates, no receivables are past due or impaired. Due to the short-term nature of these receivables, their carrying value approximates fair value. Trade receivables are non-interest bearing and are generally on 30-90 day terms. Details regarding the credit risk of current receivables are disclosed in note 34.

Navarre Minerals Limited
Notes to the financial statements
30 June 2023

Note 13. Contract assets

	Consolidated	
	2023	2022
	\$	\$
<i>Current assets</i>		
Contract assets	-	2,958,019
	<u>-</u>	<u>2,958,019</u>
<i>Reconciliation</i>		
Reconciliation of the written down values at the beginning and end of the current and previous financial year are set out below:		
Opening balance	2,958,019	-
Additions	-	2,958,019
Settled	(2,958,019)	-
	<u>-</u>	<u>-</u>
Closing balance	-	2,958,019
	<u>-</u>	<u>2,958,019</u>

Note 14. Inventories

	Consolidated	
	2023	2022
	\$	\$
<i>Current assets</i>		
Stores *	-	8,185,463
Ore stockpiles *	-	1,651,885
Doré and concentrate *	-	4,298,429
	<u>-</u>	<u>14,135,777</u>

* Due to the loss of control on 21 June 2023 over Navarre Minerals Queensland Pty Ltd and the Mt Carlton operations, Navarre Minerals Queensland Pty Ltd's assets and liabilities were derecognised as at that date. Amounts written-off were \$13,009,833 in stores, \$11,372,432 in ore stockpiles and \$569,499 in doré and concentrate.

Note 15. Investments accounted for under equity method

	Consolidated	
	2023	2022
	\$	\$
<i>Current assets</i>		
Investments	761,612	-
	<u>761,612</u>	<u>-</u>
<i>Reconciliation</i>		
Reconciliation of the carrying value of the investment at the beginning and end of the current and previous financial year are set out below:		
Opening balance	-	-
Transfer from investment in financial assets at fair value through other comprehensive income	1,520,000	-
share of loss of investment	(758,388)	-
	<u>761,612</u>	<u>-</u>
Closing balance	761,612	-
	<u>761,612</u>	<u>-</u>

Note 15. Investments accounted for under equity method (continued)

Interest in investment relates to Resource Base Limited ("RBX"), a company with shares listed on the ASX. In February 2021, the Company executed a binding term sheet with RBX for the sale of the Company's Black Range exploration tenement (EL 4590), subject to various conditions precedent. All applicable conditions precedent were satisfied and EL 4590 was transferred to RBX in exchange for 7,600,000 RBX shares at \$0.20 per share. At 30 June 2022, RBX investment was accounted for under financial assets at fair value through other comprehensive income. At 30 June 2023, the fair value of RBX shares was \$761,612 (Refer to note 35 for further information on fair value measurement).

Note 16. Financial assets at fair value through other comprehensive income

	Consolidated	
	2023	2022
	\$	\$
<i>Non-current assets</i>		
Investment in Resource Base Limited shares at fair value	-	950,000
	<u>-</u>	<u>950,000</u>
<i>Reconciliation of the fair value:</i>		
Opening fair value	-	-
Additions	-	1,520,000
share of loss of investment	-	(570,000)
	<u>-</u>	<u>(570,000)</u>
Closing balance	-	950,000
	<u>-</u>	<u>950,000</u>

Refer to note 35 for further information on fair value measurement.

Note 17. Other financial assets

	Consolidated	
	2023	2022
	\$	\$
<i>Current assets</i>		
Cash at bank - restricted *	32,788	-
Bank guarantees *	148,014	-
Term deposit	-	20,000
	<u>180,802</u>	<u>20,000</u>
<i>Non-current assets</i>		
Bank guarantees	78,976	301,990
Cash bonds – Exploration permits	120,000	110,000
	<u>198,976</u>	<u>411,990</u>
	<u>379,778</u>	<u>431,990</u>

* Cash at bank (restricted) relates to trust bank account held by BDO as part of the voluntary administration of Navarre Minerals Limited.

* In relation to the bank guarantee of \$148,014 for Suite 4, Part Level 28, 360 Collins Street, Melbourne, notice was given to the landlord on the 30 June 2023 as part of the voluntary administration process.

Refer to note 35 for further information on fair value measurement.

Navarre Minerals Limited
Notes to the financial statements
30 June 2023

Note 18. Right-of-use assets

	Consolidated	
	2023	2022
	\$	\$
<i>Non-current assets</i>		
Land and buildings - right-of-use	119,581	1,053,180
Less: Accumulated depreciation	<u>(58,130)</u>	<u>(38,199)</u>
	<u><u>61,451</u></u>	<u><u>1,014,981</u></u>

Storage yard is one year into a two-year agreement with an option to extend.

The Group also leases office premises under a short-term agreement which is expensed as incurred and not capitalised as a right-of-use asset.

On the 30 June 2023, as part of the voluntary administration process Level 28, 360 Collins Street, Melbourne lease was terminated effective that date.

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Land and buildings
	\$
Balance at 1 July 2021	101,312
Additions	933,599
Depreciation expense	<u>(19,930)</u>
Balance at 30 June 2022	1,014,981
Additions	-
Loss on control of subsidiary (note 10)	(933,600)
Transfers in/(out)	-
Depreciation expense	<u>(19,930)</u>
Balance at 30 June 2023	<u><u>61,451</u></u>

Note 19. Leasehold improvement

	Consolidated	
	2023	2022
	\$	\$
<i>Non-current assets</i>		
At cost	48,846	48,846
Less: Accumulated depreciation	<u>(21,706)</u>	<u>(14,791)</u>
	<u><u>27,140</u></u>	<u><u>34,055</u></u>
<i>Movement in leasehold improvements</i>		
Opening carrying amount	34,055	6,354
Additions	-	34,130
Depreciation expense	<u>(6,915)</u>	<u>(6,429)</u>
Closing fair value	<u><u>27,140</u></u>	<u><u>34,055</u></u>

Navarre Minerals Limited
Notes to the financial statements
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Note 20. Property, plant and equipment

	Consolidated	
	2023	2022
	\$	\$
<i>Non-current assets</i>		
Plant and equipment - at cost	553,958	58,009,160
Less: Accumulated depreciation	<u>(395,814)</u>	<u>(6,128,174)</u>
	<u><u>158,144</u></u>	<u><u>51,880,986</u></u>
<i>Movement in property, plant and equipment</i>		
Net carrying amount at beginning of year	51,880,986	128,207
Additions from business acquisition	-	(53,906,060)
Additions	17,189	3,739,677
Disposals	(84,545)	(33,590)
Loss on control of subsidiary (note 10)	(51,484,649)	-
Depreciation	<u>(170,837)</u>	<u>(5,859,386)</u>
	<u><u>158,144</u></u>	<u><u>51,880,986</u></u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Buildings	Mobile	Plant and	Total
	\$	equipment	equipment	\$
		\$	\$	
Balance at 1 July 2021	-	34,609	93,598	128,207
Additions	-	50,650	3,689,027	3,739,677
Additions through business combinations	2,513,507	6,130,274	45,262,279	53,906,060
Disposals	-	(33,590)	-	(33,590)
Depreciation expense	<u>(232,990)</u>	<u>(744,017)</u>	<u>(4,852,361)</u>	<u>(5,859,368)</u>
Balance at 30 June 2022	2,280,517	5,407,926	44,192,543	51,880,986
Additions	-	-	17,189	17,189
Additions through business combinations	-	-	-	-
Loss on control of subsidiary (note 10)*	(2,280,517)	(5,407,926)	(43,796,206)	(51,484,649)
Disposals	-	-	(84,545)	(84,545)
Depreciation expense	<u>-</u>	<u>-</u>	<u>(170,837)</u>	<u>(170,837)</u>
Balance at 30 June 2023	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>158,144</u></u>	<u><u>158,144</u></u>

*Due to the loss of control on 21 June 2023 over Navarre Minerals Queensland Pty Ltd and the Mt Carlton operations, Navarre Minerals Queensland Pty Ltd's assets and liabilities were derecognised as at that date.

Navarre Minerals Limited
Notes to the financial statements
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Note 21. Mine properties and development

	Consolidated	
	2023	2022
	\$	\$
<i>Non-current assets</i>		
Mine properties and development - at cost	-	28,192,257
Less: Accumulated amortisation	-	(1,715,957)
	<hr/>	<hr/>
	-	26,476,300
	<hr/> <hr/>	<hr/> <hr/>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Mine properties and development
	\$
Balance at 1 July 2021	-
Additions	3,973,600
Additions through business combinations	24,218,657
Amortisation expense	<u>(1,715,957)</u>
Balance at 30 June 2022	26,476,300
Additions	11,874,748
Additions through business combinations	-
Loss on control of subsidiary (note 10)*	(36,753,512)
Amortisation expense	<u>(1,597,536)</u>
Balance at 30 June 2023	<hr/> <hr/> -

* Due to the loss of control on 21 June 2023 over Navarre Minerals Queensland Pty Ltd and the Mt Carlton operations, Navarre Minerals Queensland Pty Ltd's assets and liabilities were derecognised as at that date.

Note 22. Exploration and evaluation

	Consolidated	
	2023	2022
	\$	\$
<i>Non-current assets</i>		
Exploration and evaluation assets	<u>32,115,420</u>	<u>44,149,044</u>

Capitalised exploration and evaluation costs at 30 June 2023 relate to Stawell Corridor \$ 19,528,822 (2022: \$19,346,452), Bendigo North \$7,333,553 (2022: \$7,207,858), St Arnaud Gold Project \$5,253,045 (2022: \$5,017,416), and Jubilee Gold Project nil (2022: \$526,637).

Note 22. Exploration and evaluation (continued)

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Exploration activities \$	Exploration permits \$	Total \$
Balance at 1 July 2021	26,213,914	-	26,213,914
Additions through business combinations	-	7,069,614	7,069,614
Expenditure during the year	10,928,554	-	10,928,554
Write off of assets	(63,038)	-	(63,038)
Balance at 30 June 2022	37,079,430	7,069,614	44,149,044
Expenditure during the year*	3,023,812	-	3,023,812
Discontinued operations (note 10)	(7,443,611)	(7,069,614)	(14,513,225)
Impairment of assets	(544,211)	-	(544,211)
Balance at 30 June 2023	<u>32,115,420</u>	<u>-</u>	<u>32,115,420</u>

*Expenditure during the year of \$2,462,543 related to Mt Carlton and \$561,269 to Victorian projects.

Classified as discontinued operations

Due to the loss of control on 21 June 2023 over Navarre Minerals Queensland Pty Ltd and the Mt Carlton operations, Navarre Minerals Queensland Pty Ltd's assets and liabilities were derecognised as at that date. Mt Carlton exploration and evaluation costs have been classified as discontinued operations.

Exploration and evaluation costs

Expenditure on exploration and evaluation is accounted for in accordance with the area of interest method. The Group's accounting policy for the cost of exploring and of evaluating discoveries occurs under the successful efforts method.

Exploration and evaluation expenditure is carried at cost. If indication of impairment arises, the recoverable amount is estimated and an impairment loss is recognised to the extent that the recoverable amount is lower than the carrying amount.

Exploration and evaluation assets are accumulated separately for each current area of interest and carried forward provided that one of the following conditions is met:

- such costs are expected to be recouped through successful development or sale; or
- exploration activities have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable ore reserves, and active and significant operations in relation to the area are continuing.

Note 22. Exploration and evaluation (continued)

In the statement of cash flows, those cash flows associated with capitalised exploration and evaluation expenditure are classified as cash flows used in investing activities.

Impairment of exploration and evaluation costs

To the extent that capitalised exploration and evaluation expenditure is determined not to be recoverable in the future, profits/(losses) and net assets will be varied in the period in which this determination is made.

Exploration commitments

The Group has exploration expenditure obligations which are contracted for, but not provided for, in the financial statements. These obligations may be varied from time to time and are expected to be fulfilled in the normal course of operations of the Group.

Impairment of exploration and evaluation assets

During the twelve-month period to 30 June 2023, Navarre Minerals Limited recognised an impairment loss of \$544,211 across a number of exploration projects as a result of relinquishment of tenements and exploration results obtained through relevant drilling programs.

During the twelve-month period to 30 June 2023:

- Black Range Metals Pty Ltd recognised an impairment of \$1,110 against exploration and evaluation asset, spread across tenements EL 4590 - Black Range and EL 5425 - Stavelly;
- Western Victoria Gold Pty Ltd recognised an impairment of \$2,838 against exploration and evaluation assets, spread across the below tenements:
 - ELA 006530 - Snake Hill
 - ELA 006843 - Margaret Gully
 - ELA 007950 – Maroona
- Loddon Gold Pty Ltd recognised an impairment of \$540,263 against exploration and evaluation assets, spread across tenements:
 - EL 006689 – Jubilee
 - ELA 007538 – Ballarat
 - ELA 007539 – Ballarat
 - ELA 007748 - East Jubilee
 - ELA 007751 - Snake Valley
 - ELA 007752 – Nintingbool
 - ELA 007753 - Smythesdale

Conclusion: The Company's wholly owned and joint venture tenements remain in good standing at the date of this report. Further details regarding Navarre Group tenements, including project locations, are set out in the at the back of this report.

Note 23. Trade and other payables

	Consolidated	
	2023	2022
	\$	\$
<i>Current liabilities</i>		
Trade payables	302,410	7,517,046
Accrued expenses	-	4,625,755
Other tax expenses	-	1,930,748
Other payables	4,621	396,033
	<u>307,031</u>	<u>14,469,582</u>

Note 23. Trade and other payables (continued)

Trade payables are non-interest bearing and are normally settled on 30-day terms.

Subsequent to balance date and as part of the administration process, on 26 Sept 2023, at the second creditors meeting of the Navarre Group excluding Queensland, attendees resolved to enter a Deed of Company Arrangement (DOCA). The outstanding debts of the Navarre Group excluding Queensland will be dealt with as part of the administration process.

Refer to note 34 for further information on financial instruments.

Note 24. Lease liability

	Consolidated	
	2023	2022
	\$	\$
<i>Current liabilities</i>		
Lease liability	11,953	159,928
<i>Non-current liabilities</i>		
Lease liability	37,891	859,767
	<u>49,844</u>	<u>1,019,695</u>

As part of the voluntary administration of Navarre Minerals Limited, notice was given to the landlord on Suite 4, Part Level 28, 360 Collins Street, Melbourne on the 30 June 2023 effective immediately, as a result the right-of-use asset and lease liability have been adjusted.

Refer to note 34 for further information on financial instruments.

Note 25. Derivative financial instruments

	Consolidated	
	2023	2022
	\$	\$
<i>Current liabilities</i>		
Embedded derivatives of convertible notes	765,251	-
	<u>765,251</u>	<u>-</u>
	Consolidated	
	2023	2022
	\$	\$
Addition	1,091,310	-
Movement in fair value charged to profit or loss	(326,059)	-
	<u>765,251</u>	<u>-</u>

Note 25. Derivative financial instruments (continued)

Embedded derivatives relate to Lind Partner equity funding instrument executed 6 March 2023 (refer note 29 convertible note for further details).

The conversion feature on this arrangement has a capped conversion price of \$0.068, the variable price also contains a floor as it is the higher of 7.5% discount to 5 lowest day VWAP in the last 20 days and 75% of the 15-day VWAP. The existence of these caps and floors, means that this conversion feature is not considered to be an equity instrument in accordance with AASB 132, as it will not result in a fixed number of shares for fixed consideration. This conversion feature is a derivative and as a result changes in fair value are recognised through the profit and loss (FVTPL) in accordance with AASB 9.

At initial recognition this derivative is recognised at fair value.

At 30 June 2023, the derivative liability has been revalued to FV with a gain of \$326,059 being recognised in the statement of profit or loss.

Subsequent to balance date and as part of the administration process, on 26 September 2023, at the second creditors meeting of the Navarre Group excluding Queensland, attendees resolved to enter a Deed of Company Arrangement (DOCA). Termination of the Lind Partner subscription agreement was a condition precedent to completion under the DOCA. As a result, the derivative financial instrument will cease to exist 31 May 2024.

Refer to note 34 for further information on financial instruments.

Refer to note 35 for further information on fair value measurement.

Refer to note 44 subsequent events for update on DOCA and the voluntary administration progress.

Note 26. Employee benefits

	Consolidated	
	2023	2022
	\$	\$
<i>Current liabilities</i>		
Annual leave	184,915	3,151,766
Long service leave	129,853	2,288,687
	<u>314,768</u>	<u>5,440,453</u>
<i>Non-current liabilities</i>		
Long service leave	-	245,112
	<u>314,768</u>	<u>5,685,565</u>

Employee provisions

Movement in employee provisions due to the loss of control on 21 June 2023 over Navarre Minerals Queensland Pty Ltd and the Mt Carlton operations, Navarre Minerals Queensland Pty Ltd's balance sheet deconsolidated as at that date.

Subsequent to balance date and as part of the administration process, on 26 September 2023, at the second creditors meeting of the Navarre Group excluding Queensland, attendees resolved to enter a Deed of Company Arrangement (DOCA). The outstanding debts (including employee provisions) of the Navarre Group excluding Queensland will be dealt with as part of the administration process.

Note 27. Rehabilitation provision

	Consolidated	
	2023	2022
	\$	\$
<i>Non-current liabilities</i>		
Rehabilitation provision	-	31,236,326

Rehabilitation provision – prior year

The rehabilitation provision represents the present value of estimated costs for future rehabilitation of land explored or mined by the Group at the end of the exploration or mining activity. The current provision amount of \$31,236,326 has been calculated by reference to the Queensland Department of Environment and Science's estimated rehabilitation cost under the *Environmental Protection Act 1994* (as per ESR/2018/4425).

An independent consultant was engaged to assist the Group to calculate the estimated rehabilitation provision as part of finalising the acquisition accounts (October 2022).

The rehabilitation provision was deconsolidated as a result of the loss of control on 21 June 2023 over Navarre Minerals Queensland Pty Ltd and the Mt Carlton operations.

Note 28. Interest bearing liabilities

	Consolidated	
	2023	2022
	\$	\$
<i>Current liabilities</i>		
Insurance premium financing	530,558	359,931
Chattel mortgage	-	11,143
	<u>530,558</u>	<u>371,074</u>
<i>Non-current liabilities</i>		
Chattel mortgage	-	38,072
	<u>530,558</u>	<u>409,146</u>

In December 2022, the Group executed an insurance premium financing agreement with Elantis Premium Funding Limited ("Monument Premium Funding"). Below are the key terms of the financing agreement:

Total Amount Financed	\$1,278,648.99
Total Charges	\$27,874.51
Total to be Repaid	\$1,306,523.50
Divided by No. of Repayments – 10	\$130,652.35
Application Fee	\$0.00
Total Initial Payment	\$130,652.35
Interest Rate (Flat)	2.18%

Amount remaining outstanding at 30 June 2023 was \$530,558.

Subsequent to balance date and as part of the administration process, on 26 September 2023, at the second creditors meeting of the Navarre Group excluding Queensland, attendees resolved to enter a Deed of Company Arrangement (DOCA). The outstanding debts (including employee provisions) of the Navarre Group will be dealt with as part of the administration process. All liabilities of Navarre Minerals Limited were transferred to the NML Creditors Trust on 3 June 2024 except those specially excluded under the terms of the DOCA. The trust is managed by the trustee for the benefit of the Company's previous creditors.

Note 29. Convertible notes

	Consolidated	
	2023	2022
	\$	\$
<i>Current liabilities</i>		
Lind Group Fund II	<u>3,408,941</u>	<u>-</u>
<i>Reconciliation</i>		
Reconciliation of the fair values at the beginning and end of the current and previous financial year are set out below:		
Opening balance	-	-
Addition	3,109,911	-
Finance cost	<u>299,030</u>	<u>-</u>
Closing balance	<u>3,408,941</u>	<u>-</u>

Funding facility with Lind Group Fund II, LP (Lind) executed 6 March 2023, under which Navarre received \$5,000,000 in exchange for \$5,600,000 in credit which may be used by Lind to subscribe for fully paid shares in Navarre over the duration of the two-year facility.

In exchange for the \$5.0 million Advance Payment, Navarre issued 65,000,000 initial shares to Lind on 14 March 2023. Also, as part of the agreement 73,529,412 Options were to be issued to Lind with a strike price 5.1 cent and 48-month term.

Key terms:

Advance Payment Amount:	A\$5,000,000
Advance Payment Credit:	A\$5,600,000
End Date:	The date which is 24 months after the Advance Payment Date.
Fixed Subscription Price:	A\$0.068 (Price A)
Variable Subscription Price:	The greater of: (a) 92.5% of the average of the five lowest daily VWAPs during the 20 Actual Trading Days prior to the date on which the Subscription Price is to be determined, rounded down to the lowest A\$0.001 (Natural Price B); and (b) 75% of the VWAP of the shares during the 15 Trading Days prior to the date on which the relevant shares are issued, rounded down to the lowest A\$0.001 (Price B Limit), (Price B).
Subscription Price:	The lesser of: (a) the Variable Subscription Price; and (b) the Fixed Subscription Price.
Maximum Share Number	359,469,786
Options:	The Number of options to purchase Shares, exercisable at the Options Exercise Price on or before the Options Expiration Date, all as specified below, on the terms set out in the facility agreement. Number: 73,529,412 Options Exercise Price: A\$0.051 per Share. Options Expiration Date: the date which is 48 calendar months after the date of issue of the Options.
Initial Shares:	65,000,000 Shares
Commitment Fee:	A\$150,000

Note 29. Convertible notes (continued)

There is no security provided by Navarre to Lind in respect to the Agreement and there is no interest payable.

The Lind Partner equity instrument has been accounted for as a convertible note with an embedded derivative conversion feature (see note 25) and the issuance of separate options (see note 32) which are equity classified.

On the 13 March 2023 \$4,845,000 (\$5,000,000 net of commitment fee and legal costs) was received from Lind Partners. This amount was received upfront, with the Company now having the obligation to provide the investor (Lind Partners) with a minimum of \$5.6m in value (The advance payment credit amount) at maturity. As a result, this will be classified as a liability under AASB 132. At initial recognition, the convertible note liability has been measured at fair value, the present value of the \$5.6m payable in 2 years' time at a market rate of interest for Navarre for an instrument without any conversion features.

At 30 June 2023, the convertible note liability was measured at amortised cost in accordance with *AASB 9 financial instruments*, with interest accrue on this note at the effective interest rate over the life of the arrangement. The effective interest rate was 30.26%, with the high interest needed such that the net carrying amount at initial recognition (amount allocated to it less the transaction costs allocated to it) builds up to the \$5.6m advance payment credit amount, which is what at the maturity must be converted into shares or repaid.

Note 30. Contingent consideration

	Consolidated	
	2023	2022
	\$	\$
Non-current liabilities		
Contingent consideration	-	13,418,000

Contingent consideration - prior year

The contingent consideration is associated with the acquisition of Mt Carlton and comprised two tranches:

These two contingent payments have been independently assessed in determining the carrying value of the consideration. This has involved a review of the existing mine plan and the likely timing and quantum of future payments, as well as a probabilistic assessment of potential future gold price.

- Up to \$25 million in contingent payments relating to production milestones from the Crush Creek project; and
- Up to \$25 million in gold-price linked royalties relating to ongoing production from the Mt Carlton operation.

The contingent consideration provisions was deconsolidated as a result of the loss of control on 21 June 2023 over Navarre Minerals Queensland Pty Ltd and the Mt Carlton operations.

Note 31. Issued capital

	2023	Consolidated		2022
	Shares	2022	2023	2022
		Shares	\$	\$
Ordinary shares - fully paid	1,502,929,149	1,436,134,251	108,188,962	108,050,215

Note 31. Issued capital (Continued)

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$
Balance	1 July 2021	695,172,151		51,813,994
Share placement at \$0.075		490,134,605	\$0.075	36,760,095
Share issued as partial consideration for MCO acquisition		176,565,396	\$0.920	16,236,000
Share placement at \$0.066		68,181,820	\$0.066	4,500,000
Share Purchase Plan \$0.066		3,280,279	\$0.066	216,500
Exercise of performance rights		2,800,000	\$0.000	-
Cost of equity instruments exercised		-	\$0.000	322,300
Transaction costs		-	\$0.000	(1,798,674)
Balance	30 June 2022	1,436,134,251		108,050,215
Cost of equity instruments exercised		1,744,898	\$0.086	150,595
Exercise of performance rights		50,000	\$0.079	3,950
Transaction costs		-	\$0.000	(15,798)
Share issue as part of the Lind Partners transaction ¹		65,000,000	\$0.000	-
Balance	30 June 2023	<u>1,502,929,149</u>		<u>108,188,962</u>

¹Share issue related to the Lind Partners, refer to note 29 – Convertible note for further information on the accounting of this.

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Share buy-back

There is no current on-market share buy-back.

Capital risk management

The Consolidated entity's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the Consolidated entity may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Consolidated entity would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current Company's share price at the time of the investment. The Consolidated entity is not actively pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies.

The Consolidated entity is subject to certain financing arrangements covenants and meeting these is given priority in all capital risk management decisions. As a result of the appointment of external administrators certain covenants were triggered and consequences dealt with in the period of external administration.

The capital risk management policy remains unchanged from the 2022 Annual Report.

Note 31. Issued capital (Continued)

At 30 June 2023, there were 3,200,000 options over unissued shares granted to senior employees and non-executive directors of the Company outstanding. The options are granted pursuant to the Navarre Minerals Limited Option Plan, details of which are set out in note 45.

At 30 June 2023, there were 8,099,478 performance rights over unissued shares granted to senior employees of the Company outstanding. The performance rights are granted pursuant to the Navarre Minerals Limited Performance Rights Plan and the Equity Incentive Plan 2022 (approved by shareholders during the year), details of which are set out in note 45.

Subsequent to balance date, on 31 May 2024 the External Administrator cancelled the performance rights and options as part of the DOCA process.

Note 32. Reserves

Share-based payment reserve

	Consolidated	
	2023	2022
	\$	\$
Share-based payments reserve	1,585,058	780,053
Share-based payments reserve - Lind Partners options	681,519	-
	<u>2,266,577</u>	<u>780,053</u>

Share-based payments reserve

The reserve is used to recognise the value of equity benefits provided to employees and Directors as part of their remuneration, and other parties as part of their compensation for services.

The Lind Partners options related to the Lind Partners equity funding instrument executed 6 March 2023 (refer note 29 convertible notes for further details).

Proposed Options to be issued subject to shareholder approval:	<p>The Number of options to purchase Shares, exercisable at the Options Exercise Price on or before the Options Expiration Date, all as specified below, on the terms set out in the agreement.</p> <p>Number: 73,529,412</p> <p>Options Exercise Price: A\$0.051 per Share.</p> <p>Options Expiration Date: the date which is 48 calendar months after the date of issue of the Options.</p>
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Options are considered to be equity instruments in accordance with AASB 132, as they are for the issuance of a fixed number of shares (73,529,412 shares) for a fixed price (\$0.051 per share). Black Scholes valuation methodology was used to determine fair value.

On 19 June 2023, BDO were appointed Joint and Several Voluntary Administrators of the Company pursuant to section 436A of the Corporations Act 2001 (Cth). BDO were subsequently appointed as the Company's Joint and Several Deed Administrators on 18 October 2023.

Subsequent to balance date and as part of the administration process, on 26 September 2023 at the second creditors meeting of the Navarre Group excluding NMQ, attendees resolved to enter a Deed of Company Arrangement (DOCA). In accordance with the Deed of Company Arrangement ('DOCA') all outstanding agreements entered into by the Company, including the share subscription agreement ('Subscription Agreement') between the Company and Lind Global Fund II (Lind), prior to the Administrators appointment were to be terminated effective 31 May 2024.

Any rights or entitlements Lind Partners held under these Options are no longer valid or enforceable.

Note 32. Reserves (continued)

Net unrealised gains reserve

	Consolidated	
	2023	2022
	\$	\$
Net unrealised gains reserve	-	(570,000)
	-	(570,000)

Net unrealised gains reserve

The reserve is used to recognise increments and decrements in the fair value of financial assets at fair value through other comprehensive income.

Note 33. Dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Note 34. Financial instruments

Financial risk management objectives

The Group's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

Risk management is carried out at a corporate level by management under policies approved by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the Group and appropriate procedures, controls and risk limits.

Market risk

Foreign currency risk

The Consolidated entity undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations.

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

As at 30 June 2023, the Group held nil US dollar currency (2022: US\$621,975) in US dollar currency bank accounts and had nil outstanding receivables denominated in \$US (2022: US\$2,037,779).

Price risk

With the deconsolidation of the Navarre Minerals Queensland Pty Ltd and the Mt Carlton operations, the Group is no longer exposed to the risk of fluctuations in prevailing market commodity prices on the gold, silver and copper on its production.

The Group is exposed to market share price movements on its equity investments at fair value.

Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's cash and cash equivalents with a floating interest rate. The impact of a 1.0% change in the market interest rates will not have a material impact on the Group's financial position.

The interest rates on the Group's interest-bearing liabilities at 30 June 2023 are fixed, so there would be no change to interest payments if interest rates moved.

Note 34. Financial instruments (continued)

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group.

With the deconsolidation of the Navarre Minerals Queensland Pty Ltd and the Mt Carlton operations, the Group has no credit risk as it has no contractual obligations at the 30 June 2023 (2022: contract assets \$2,958,082).

Liquidity risk

Vigilant liquidity risk management requires the Consolidated entity to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The Consolidated group manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Maturity Analysis

The following tables detail the Consolidated entity's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

	Weighted average interest rate %	1 year or less \$	Between 1 and 2 years \$	Between 2 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
Consolidated - 2023						
Non-derivatives						
<i>Non-interest bearing</i>						
Trade and other payables	-	307,031	-	-	-	307,031
	-	-	-	-	-	-
<i>Interest-bearing - fixed rate</i>						
Interest bearing liabilities	3.25%	530,558	-	-	-	530,558
Lease liability	3.94%	11,953	37,891	-	-	49,844
Total non-derivatives		849,542	37,891	-	-	887,433
Derivatives						
Embedded derivative of convertible note	-	765,251	-	-	-	765,251
Convertible note	30.26%	3,408,941	-	-	-	3,408,941
Total derivatives		4,174,192	-	-	-	4,174,192
	Weighted average interest rate %	1 year or less \$	Between 1 and 2 years \$	Between 2 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
Consolidated - 2022						
Non-derivatives						
<i>Non-interest bearing</i>						
Trade payables	-	14,469,582	-	-	-	14,469,582
<i>Interest-bearing - fixed rate</i>						
Interest bearing liabilities	3.25%	374,559	12,736	30,778	-	418,073
Lease liability	3.94%	216,338	224,346	703,328	-	1,144,012
Total non-derivatives		15,060,479	237,082	734,106	-	16,031,667

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Note 35. Fair value measurement

Fair value hierarchy

The following tables detail the Consolidated entity's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: Unobservable inputs for the asset or liability

Consolidated - 2023	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Assets				
Investments accounted for using the equity method	761,612	-	-	761,612
Total assets	761,612	-	-	761,612

Liabilities

Embedded derivatives of convertible notes	-	-	765,251	765,251
Total liabilities	-	-	765,251	765,251

Consolidated - 2022	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Assets				
Financial assets at fair value through other comprehensive income	950,000	-	-	950,000
Total assets	950,000	-	-	950,000

Liabilities

Embedded derivatives of convertible notes	-	-	-	-
Total liabilities	-	-	-	-

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

The fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial liabilities.

Valuation techniques for fair value measurements categorised within level 2 and level 3

Embedded derivatives of convertible note

Derivative liability relates to Lind Partner equity funding instrument executed 6 March 2023 (refer note 29 convertible note for further details). The conversion feature on this arrangement has a capped conversion price, the variable price also contains a floor. The existence of these caps and floors, means that this conversion feature is not considered to be an equity instrument in accordance with AASB 132, as it will not result in a fixed number of shares for fixed consideration. This conversion feature is a derivative and as a result changes in fair value are recognised through the profit and loss (FVTPL) in accordance with AASB 9.

At initial recognition and subsequent reporting close, the derivative is required to be fair valued. A Monte-Carlo simulation was used for valuing the derivative liability. This involved using Geometric-Brownian Motion (GBM) to simulate 1,000 different Navarre stock price paths and the resulting likely optimal payoffs for Lind in each scenario. The average (i.e., equally probable) of the payoffs in each scenario is then taken to obtain a fair value estimate.

There have been no transfer of financial assets and liabilities in/out of level during the year ended 30 June 2023 and 30 June 2022.

Note 36. Key management personnel disclosures

Compensation

The aggregate compensation made to Directors and other members of key management personnel of the Consolidated entity is set out below:

	Consolidated	
	2023	2022
	\$	\$
Short-term employee benefits	924,208	896,041
Post-employment benefits	84,186	82,849
Long-term benefits	-	32,075
Share-based payments	225,965	172,456
	<u>1,234,359</u>	<u>1,183,421</u>

Details of compensation of individual key management personnel are set out in the Remuneration Report.

Note 37. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by RSM Australia Partners, the auditor of the Company:

	Consolidated	
	2023	2022
	\$	\$
<i>Audit services - RSM Australia Partners</i>		
Audit or review of the financial statements	<u>135,253</u>	<u>111,120</u>
<i>Other services - RSM Australia Partners</i>		
Due diligence	-	60,000
Taxation services	95,335	179,900
Other non-audit services	<u>17,300</u>	<u>23,838</u>
	<u>112,635</u>	<u>263,738</u>
	<u>247,888</u>	<u>374,858</u>

Note 38. Commitments and Contingencies

Commitments

	Consolidated	
	2023	2022
	\$	\$
Estimated cost of minimum work requirements contracted for under exploration permit is estimated at balance date:		
Payable not later than one year	1,950,225	1,098,800
Payable later than one year but not later than five years	<u>4,421,525</u>	<u>3,846,000</u>
	<u>6,371,750</u>	<u>4,944,800</u>

Note 38. Commitments and contingent liabilities (continued)

Exploration commitments at 30 June 2023 relate to Bendigo North (the Company's 49% interest in the Tandarra Gold Project) \$1,600,000 (2022: \$1,029,000), Stawell Corridor \$1,970,600 (2022: \$973,500), St Arnaud Gold Project \$2,567,000 (2022: \$2,866,800) and Jubilee Gold Project \$234,150 (2022: \$75,500).

In order to maintain current rights of tenure to exploration tenements, the Group is required to perform work to meet the minimum expenditure requirements set by the Victorian State Government. These obligations are expected to be fulfilled in the normal course of operations. Exploration interests may be relinquished or joint ventured to reduce this expense to the Group. The Victorian State Government has the authority to defer, waive or amend the minimum expenditure requirements.

	Consolidated	
	2023	2022
	\$	\$
<i>Lease commitments - operating</i>		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	<u>19,932</u>	<u>38,911</u>

There have been no other commitments as at 30 June 2023 and 30 June 2022.

Contingent liabilities

As part of the voluntary administration process Level 28, 360 Collins Street, Melbourne lease was terminated. There is a \$148,014 security deposit in place in relation this that will be dealt with as by the administrators as part of the voluntary administration process.

Note 39. Related party transactions

Parent entity

Navarre Minerals Limited is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in note 42.

Key management personnel

Disclosures relating to key management personnel are set out in note 36 and the remuneration report included in the Directors' report.

Transactions with related parties

There were no transactions with related parties during the current and previous financial year.

Receivable from and payable to related parties

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date.

Note 40. Parent entity information

Set out below is the supplementary information about the parent entity.

	Parent	Parent
	2023	2022
	\$	\$
Financial performance		
Profit/(Loss) for the year	(61,220,230)	(7,557,740)
Other comprehensive income/(loss)	570,000	(570,000)
Total comprehensive loss	<u>(61,790,230)</u>	<u>(8,127,740)</u>

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Note 40. Parent entity information (continued)

	Parent 2023	Parent 2022
	\$	\$
Financial position		
Total current assets	416,915	73,357,183
Total non-current assets	34,271,117	17,664,510
Total assets	<u>34,688,032</u>	<u>91,021,693</u>
Total current liabilities	(5,338,500)	(1,255,317)
Total non-current liabilities	(37,891)	(859,768)
Total liabilities	<u>(5,376,391)</u>	<u>(2,115,085)</u>
Net assets	<u>29,311,641</u>	<u>88,906,608</u>
Issued capital	108,188,962	108,050,215
Reserves	2,266,577	210,053
Accumulated losses	<u>(81,143,890)</u>	<u>(19,353,660)</u>
Total equity	<u><u>29,311,641</u></u>	<u><u>88,906,608</u></u>

Significant accounting policies

The accounting policies of the parent entity are consistent with those of the Consolidated entity, as disclosed in note 2, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2023 and 30 June 2022.

Contingent liabilities

As part of the voluntary administration process Level 28, 360 Collins Street, Melbourne lease was terminated. There is a \$148,014 security deposit in place in relation this that will be dealt with as by the administrators as part of the voluntary administration process.

Capital commitments - Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2023 and 30 June 2022.

Note 41. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 2:

Name	Principal place of business / Country of incorporation	Ownership interest	
		2023	2022
		%	%
Black Range Metals Pty Ltd	Australia	100.00%	100.00%
Loddon Gold Pty Ltd	Australia	100.00%	100.00%
North Central Gold Exploration Pty Ltd	Australia	100.00%	100.00%
Tandarra Gold Pty Ltd	Australia	100.00%	100.00%
Western Victoria Gold Pty Ltd	Australia	100.00%	100.00%
Navarre Minerals Queensland Pty Ltd *	Australia	-	100.00%

* The company lost control to Navarre Minerals Queensland Pty Ltd on 21 June 2023.

Note 42. Deed of cross guarantee

The following entities are party to a deed of cross guarantee under which each company guarantees the debts of the others:

Navarre Minerals Limited

Navarre Minerals Queensland Pty Ltd (the company loss control on 21 June 2023)

By entering into the deed, the wholly-owned entities have been relieved from the requirement to prepare financial statements and Directors' report under Corporations Instrument 2016/785 issued by the Australian Securities and Investments Commission.

The above companies represent a 'Closed Group' for the purposes of the Corporations Instrument, and as there are no other parties to the deed of cross guarantee that are controlled by Navarre Minerals Limited, they also represent the 'Extended Closed Group'.

Significant changes in the state of affairs

As a result of the appointment of receivers and managers of Navarre Minerals Queensland Pty Ltd on 21 June 2023, control was transferred to the receiver with Navarre Minerals Limited effectively losing control of Navarre Minerals Queensland Pty Ltd and the Mt Carlton operations on this date. Navarre Minerals Queensland Pty Ltd is no longer a subsidiary of Navarre Minerals Limited and was not included in the Deed of Company arrangements agreed in late 2023. The deed of cross guarantee no longer exists.

Set out below is a consolidated statement of profit or loss and other comprehensive income and statement of financial position of the 'Closed Group'.

	2023	2022
	\$	\$
Statement of profit or loss and other comprehensive income		
Revenue	-	114,472,728
Cost of sales	-	(102,604,863)
Other income	334,830	1,349,017
Interest revenue calculated using the effective interest method	3,950	813
Transaction and integration costs	(5,455)	(9,443,304)
Corporate and other administration expenses	(5,721,595)	(2,483,725)
Other mine operating expenses	-	(2,448,825)
Share of losses of investments accounted for using equity method	(758,388)	-
Finance costs	(373,102)	(16,203)
Exploration expenditure written-off	(2,730)	(8,881)
Loan forgiveness (in relation to Navarre Minerals Queensland Pty Ltd)	(55,577,493)	-
Loss before income tax expense	(62,099,983)	(1,183,243)
Income tax expense	309,753	(1,849,085)
Loss after income tax expense	(61,790,230)	(3,032,328)
Other comprehensive income		
Loss on the revaluation of equity instruments at fair value through other comprehensive income, net of tax	-	(570,000)
Other comprehensive income for the year, net of tax	-	(570,000)
Total comprehensive income for the year	<u>(61,790,230)</u>	<u>(3,602,328)</u>

Note 42. Deed of cross guarantee (continued)

	2023 \$	2022 \$
Statement of financial position		
Current assets		
Cash and cash equivalents	77,900	12,806,275
Trade and other receivables	158,213	3,409,030
Contract assets	-	2,958,019
Inventories	-	14,135,777
Other financial assets	180,802	20,000
	<u>416,915</u>	<u>33,329,101</u>
Non-current assets		
Interest in associate accounted for using the equity method	761,612	-
Financial assets at fair value through other comprehensive income	-	950,000
Other financial assets	78,976	311,990
Property, plant and equipment	185,283	51,915,041
Right-of-use assets	61,451	1,014,981
Mine properties and development	-	26,476,300
Exploration and evaluation	7,333,554	23,012,621
Deferred tax	-	1,017,236
Advance to subsidiaries	25,850,242	21,643,063
	<u>34,271,118</u>	<u>126,341,232</u>
Total assets	<u>34,688,033</u>	<u>159,670,333</u>
Current liabilities		
Trade and other payables	307,031	14,469,582
Lease liability	11,953	159,928
Derivative financial liability	765,251	-
Convertible note	3,408,941	-
Employee provisions	314,767	5,440,453
Interest bearing liabilities	530,558	371,074
	<u>5,338,501</u>	<u>20,441,037</u>
Non-current liabilities		
Lease liability	37,891	859,767
Employee provisions	-	245,112
Interest bearing liabilities	-	38,072
Rehabilitation provision	-	31,236,326
Contingent consideration	-	13,418,000
	<u>37,891</u>	<u>45,797,277</u>
Total liabilities	<u>5,376,392</u>	<u>66,238,314</u>
Net assets	<u>29,311,641</u>	<u>93,432,019</u>
Equity		
Issued capital	108,188,954	108,050,215
Reserves	2,266,577	210,053
Accumulated losses	(81,143,890)	(14,828,249)
Total equity	<u>29,311,641</u>	<u>93,432,019</u>

Note 43. Events after the reporting period

Subsequent to the end of the reporting period, there have been a number of subsequent events, these are detailed below:

- On 21 August 2023, PAC Partners loaned \$44,618 to the Voluntary Administrators to enable Company to pay ASX annual fees and avoid ASX delisting.
- On 25 August 2023, at the second creditors meeting of Navarre Minerals Queensland Pty Ltd, the subsidiary company that owned the Mt Carlton Queensland operations, attendees voted that Navarre Minerals Qld Pty Ltd enter liquidation.
- On 26 September 2023, at the second creditors meeting of the Navarre Group excluding Queensland, attendees resolved to enter a Deed of Company Arrangement (DOCA). The chosen DOCA was selected was from 3 competing proposals. Under the supported DOCA, it was agreed the Navarre Minerals Parent Company (and ASX listed status) be acquired for \$125,000. The Group's remaining tenements were to be sold in a formal sale process over the following 3 months.
- On 18 October 2023, the DOCA contract was executed and Deed Administrator commenced tenement sale process.
- On 4 December 2023, non-executive director James Gurry advanced the Company via the Administrator \$60,000 to cover legal and other fees incurred in relation to the DOCA process.
- On 16 January 2024, the deed administrator advised the director's that their increased bid in the competitive tenement sale process to purchase all the tenements for \$400,000 is the preferred transaction, bringing the total required DOCA Contribution to \$525,000.
- On 17 January 2024, listed investments held by Navarre were sold by the Deed Administrator for approximately \$300,000.
- On 12 March 2024, the three Directors and one previous Director agreed to compromise their claims against the Company. These claims survived the Administration as they were specifically removed from the unsecured creditor claims in an effort to give the remaining creditors a greater return from the NML Creditors' Trust. The majority of the approximately \$753,000 owed to the directors related to employee entitlements. The debt was reduced to \$70,000 owed to previous Director, Mr Geoff McDermott.
- On 24 April 2024, the Directors, as deed proponents of the DOCA, announce intention for Navarre to return to its heritage as a minerals exploration Company listed on ASX, focused on its Victorian tenements, and that the first of a 2-stage recapitalisation be launched. Subject to the success of the capital raise, it was expected that the then non-executive director, Mr James Gurry, would take up an executive role at the Company.
- On 24 May 2024, Navarre announced the appointment of Mr Richard Taylor as a Non-Executive Director. Mr Taylor brings extensive ASX executive experience to the Company from past roles with Mineral Deposits Limited, PanAust, MMG Ltd and Oxiana Ltd.
- On 29-May 2024, the Directors, as Deed Proponents of the DOCA, raised approximately \$1.7m in secured convertible debt, with key terms: 15% pa coupon, debt convertible into ordinary shares at 35% discount at the next capital raise prior to resuming trading on ASX and debt secured against the assets of the Company.
- On 31 May 2024, in accordance with the Deed of Company Arrangement ('DOCA') all outstanding agreements entered into by the Company, including the share subscription agreement ('Subscription Agreement') between the Company and Lind Global Fund II (Lind), prior to the Administrators appointment were terminated effective this date. Any rights or entitlements held under Options are no longer valid or enforceable.
- On the same day, the Directors as Deed Proponents, made a payment of \$525,000 to the Deed Administrator satisfying one of the main conditions to finalise the DOCA. Mr Gurry and Mr Taylor invested \$100,000 and \$25,000 respectively in the convertible debt capital raise which is subject to shareholder approval.
- On 3 June 2024, the Deed Administrator advised the Directors that the DOCA had been effectuated and Navarre Group was released from external administration. On the same day all liabilities and claims of the Company, known and unknown, unless specifically excluded under the terms of the DOCA, were transferred to the NML Creditors' Trust which is external to the Company and managed by the trustee for the benefit of the Company's previous creditors.
- On 6 June 2024, Company announced Mr Gurry's appointment as managing director and eligibility for share based award of \$250,000 for achieving release from external administration.
- On 12 June 2024, Navarre announced that it has taken the decision to recommit to its 49% interest in the Tandarra Gold Project making payment of \$372,866 in respect of Navarre's 49% interest in the Tandarra Gold Project. The most recent project activity included a diamond drilling program at the Lawry prospect with six holes completed for 1,034m and an air core drilling program at the Uptons Road prospect.
- On 2 August 2024, Company announced the appointment of Ms Angela Lorrigan as Non-Executive Director – Technical, coinciding with the retirement from the board of directors Mr Kevin Wilson and Mr Ian Holland on the same date.

Other than the above, there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to significantly affect the operations of the Group, the results of those operations, or state of affairs of the Group.

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Note 44. Reconciliation of loss after income tax to net cash (used in)/from operating activities

	Consolidated	
	2023	2022
	\$	\$
Loss after income tax (expense)/benefit for the year	(66,857,385)	(3,087,865)
Adjustments for:		
Exploration expenditure written-off	544,211	63,038
Depreciation and amortisation (net of allocation to exploration licences)	6,551,501	7,531,814
Share based payments (net of allocation to exploration licences)	950,870	247,664
Investments accounted for under equity method	758,388	(1,096,558)
Fair value (gain)/loss on derivative liability	(326,059)	-
Net gain on disposal of asset	-	(130,600)
Net loss on disposal of asset	-	33,590
Income tax expense	(309,753)	1,849,085
Foreign exchange difference	87,925	496,127
Gain on disposal of assets and liabilities	(7,729,378)	-
Intercompany loan write-off	55,577,493	-
Change in operating assets and liabilities:		
(Increase)/decrease in trade and other receivables (net of allocation to exploration licences)	1,558,639	(2,241,797)
(Increase)/decrease in contract assets	-	(2,958,019)
(Increase)/decrease in inventories	4,038,537	15,082,843
Decrease in trade and other payables (net of allocation to exploration licences)	(6,633,724)	(5,188,245)
Increase/(decrease) in provisions (net of allocation to exploration licences)	(5,155,836)	40,195
Net cash (used in)/from operating activities	<u>(16,944,571)</u>	<u>10,641,272</u>

Note 45. Earnings per share

	Consolidated	
	2023	2022
	\$	\$
<i>Loss per share from continuing operations</i>		
Loss after income tax attributable to the owners of Navarre Minerals Limited	<u>(6,754,481)</u>	<u>(7,613,276)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>1,456,922,188</u>	<u>1,097,349,491</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>1,456,922,188</u>	<u>1,097,349,491</u>
	Cents	Cents
Basic loss per share	(0.46)	(0.69)
Diluted loss per share	(0.46)	(0.69)

	Consolidated	
	2023	2022
	\$	\$
<i>(Loss)/earnings per share from discontinued operations</i>		
(Loss)/profit after income tax attributable to the owners of Navarre Minerals Limited	<u>(60,102,904)</u>	<u>4,525,411</u>

Note 45. Earnings per share (continued)

	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>1,456,922,188</u>	<u>1,097,349,491</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u><u>1,456,922,188</u></u>	<u><u>1,097,349,491</u></u>
	Cents	Cents
Basic (loss)/earnings per share	(4.13)	0.41
Diluted (loss)/earnings per share	(4.13)	0.41
	Consolidated	
	2023	2022
	\$	\$
<i>Loss per share</i>		
Loss after income tax attributable to the owners of Navarre Minerals Limited	<u>(66,857,385)</u>	<u>(3,087,865)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>1,456,922,188</u>	<u>1,097,349,491</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u><u>1,456,922,188</u></u>	<u><u>1,097,349,491</u></u>
	Cents	Cents
Basic loss per share	(4.59)	(0.28)
Diluted loss per share	(4.59)	(0.28)

Note 46. Share-based payments

The Group has established the Equity Incentive Plan 2022 ("EIP"), which has been approved by shareholders at a general meeting, whereby the Group may, at the discretion of the Board of Directors, grant shares, options over ordinary shares and performance rights over ordinary shares in the Company, or other securities, to employees, directors or other third party service providers. The options and performance rights are issued for nil consideration and are granted in accordance with performance guidelines established by the Nomination and Remuneration Committee. The Plan replaces the Navarre Minerals Limited Option Plan ("Option Plan") and the Navarre Minerals Limited Performance Rights Plan ("Performance Rights Plan"), which was replaced on 27 January 2022.

In December 2022, a total of 38,380,998 share performance rights (expiry date 30 June 2027) were issued, with 25,685,254 issued to employees of the Company, pursuant to the Equity Incentive Plan, 4,937,234 issued to Ian Holland, 3,526,595 issued to Geoff McDermott and 4,231,915 to Paul Hissey.

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Note 46. Share-based payments (continued)

Set out below are summaries of options granted under the Option Plan:

2023

Grant date	Expiry date	Exercise price	Held at 1 July 2022	Options Granted	Options Exercised	Options Lapsed	Held at 30 June 2023
29/01/2018	29/01/2023	\$0.150	500,000	-	-	500,000	-
10/04/2018	10/04/2023	\$0.150	3,900,000	-	-	3,900,000	-
21/02/2019	21/02/2024	\$0.120	400,000	-	-	-	400,000
17/05/2019	17/05/2024	\$0.120	2,800,000	-	-	-	2,800,000
			<u>7,600,000</u>	<u>-</u>	<u>-</u>	<u>4,400,000</u>	<u>3,200,000</u>

Weighted average exercise price \$0.1374 \$0.000 \$0.000 \$0.1500 \$0.1200

2022

Grant date	Expiry date	Exercise price	Held at 1 July 2021	Options Granted	Options Exercised	Options Lapsed	Held at 30 June 2022
22/02/2017	31/12/2021	\$0.090	200,000	-	-	200,000	-
29/01/2018	29/01/2023	\$0.150	2,000,000	-	-	1,500,000	500,000
10/04/2018	10/04/2023	\$0.150	3,900,000	-	-	-	3,900,000
21/02/2019	21/02/2024	\$0.120	1,700,000	-	-	1,300,000	400,000
17/05/2019	17/05/2024	\$0.120	2,800,000	-	-	-	2,800,000
17/05/2019	17/05/2022	\$0.1313	1,800,000	-	-	1,800,000	-
			<u>12,400,000</u>	<u>-</u>	<u>-</u>	<u>4,800,000</u>	<u>7,600,000</u>

Weighted average exercise price \$0.1354 \$0.0000 \$0.0000 \$0.1324 \$0.1374

Set out below are the options, vested and exercisable at the end of the financial year:

Grant date	Expiry date	2023 Options	2022 Options
29/01/2018	29/01/2023	-	500,000
10/04/2018	10/04/2023	-	3,900,000
21/02/2019	21/02/2024	400,000	400,000
17/05/2019	17/05/2024	2,800,000	2,533,334
		<u>3,200,000</u>	<u>7,333,334</u>

The weighted average share price during the financial year was \$0.039 (2022: \$0.0826).

The weighted average remaining contractual life of options outstanding at the end of the financial year was 0.85 years (2022: 1.22 years).

Set out below are summaries of performance rights granted under the Performance Rights Plan:

Note 46. Share-based payments (continued)

2023

Grant date	Expiry date	Held at 1 July 2022	Performance Rights Granted	Performance Rights Exercised	Performance Rights Lapsed	Held at 30 June 2023
27/11/2020	31/12/2024	1,000,000	-	-	-	1,000,000
01/07/2021	30/06/2024	800,000	-	350,000	400,000	50,000
01/07/2021	30/06/2025	1,200,000	-	400,000	800,000	-
16/02/2022	05/07/2023	1,136,734	-	1,044,898	-	91,836
16/02/2022	05/07/2024	3,013,266	-	-	992,858	2,020,408
19/02/2022	30/07/2024	-	38,380,998	-	33,443,764	4,937,234
		7,150,000	38,380,998	1,794,898	35,636,622	8,099,478

2022

Grant date	Expiry date	Held at 1 July 2021	Performance Rights Granted	Performance Rights Exercised	Performance Rights Lapsed	Held at 30 June 2022
18/11/2019	31/12/2022	1,500,000	-	1,500,000	-	-
18/05/2020	30/06/2023	1,300,000	-	1,300,000	-	-
27/11/2020	31/12/2024	1,000,000	-	-	-	1,000,000
01/07/2021	30/06/2024	-	900,000	-	100,000	800,000
01/07/2021	30/06/2025	-	2,400,000	-	1,200,000	1,200,000
16/02/2022	05/07/2023	-	1,136,734	-	-	1,136,734
16/02/2022	05/07/2024	-	3,013,266	-	-	3,013,266
		3,800,000	7,450,000	2,800,000	1,300,000	7,150,000

For the performance rights granted during the current financial year, the valuation model inputs used to determine the fair value at grant date are as follows:

Grant date	Expiry date	Share price at grant date	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
19/12/2022	30/07/2024	\$0.037	82.0%	0%	0.03%	\$0.020
19/12/2022	30/07/2024	\$0.037	82.0%	0%	0.03%	\$0.018
19/12/2022	30/07/2024	\$0.037	82.0%	0%	0.03%	\$0.037

Set out below are the performance rights, vested and exercisable at the end of the financial year:

Grant date	Expiry date	2023 Performance Rights	2022 Performance Rights
27/11/2020	31/12/2024	500,000	-
16/02/2022	05/07/2023	91,836	-
		591,836	-

The weighted average remaining contractual life of performance rights outstanding at the end of the financial year was 1.10 years (2022: 2.09 years).

Navarre Minerals Limited
Directors' declaration
30 June 2023

In the Directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Consolidated entity's financial position as at 30 June 2023 and of its performance for the financial year ended on that date;
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
- at the date of this declaration, there are reasonable grounds to believe that the members of the Extended Closed Group will be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee described in note 42 to the financial statements.

The Directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of Directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the Directors



James Gurry
Managing Director

30 August 2024

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INDEPENDENT AUDITOR'S REPORT To the Members of Navarre Minerals Limited

Opinion

We have audited the financial report of Navarre Minerals Limited ('the Company') and its controlled entities (together 'the Consolidated entity'), which comprises the consolidated statement of financial position as at 30 June 2023, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion the accompanying financial report of the Consolidated entity is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Consolidated entity's financial position as at 30 June 2023 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Consolidated entity in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 3 in the financial report, which indicates that the Consolidated entity incurred a net loss from continuing operation of \$6,754,481 and had net cash outflows from operating activities of \$16,944,571 during the year ended 30 June 2023. In addition, as at 30 June 2023, the Consolidated entity's current liabilities exceeded its current assets by \$4,921,577. As stated in Note 3, these events or conditions, along with other matters as set forth in Note 3, indicate that a material uncertainty exists that may cast significant doubt on the Consolidated entity's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How our audit addressed this matter
Exploration and evaluation assets Refer to Note 22 in the financial statements	
<p>As at 30 June 2023, the carrying value of the Consolidated entity's capitalised Exploration and Evaluation assets amounted to \$32.1 million. Exploration and evaluation assets were considered a Key Audit Matter due to the significance of these assets in the statement of financial position and due to the significant management's judgments and estimates involved in assessing the carrying value in accordance with AASB 6 <i>Exploration for and Evaluation of Mineral Resources</i>, including:</p> <ul style="list-style-type: none"> • Determination of whether expenditure can be associated with finding specific mineral resources, and the basis on its allocation to an area of interest; • Assessing whether any indicators of impairment are present, and if so, the judgments applied to determine and quantify any impairment loss; and • Determination of whether exploration activities have progressed to the stage at which the existence of an economically recoverable mineral reserve may be assessed. 	<p>Our audit procedures in relation to Exploration and evaluation assets included:</p> <ul style="list-style-type: none"> • Gathering an understanding of developments within the Group through review of the ASX announcements and discussions with management. This included assessing whether indicators of impairment existed in relation to the areas of interest; • Enquiring with management and reviewing budgets and plans to determine that the Group will incur substantive expenditure on further exploration for and evaluation of mineral resources in the specific areas of interest; • Reviewing and testing reasonableness of the impairment recorded by management; and • Assessing management's determination that exploration activities have not yet progressed to the point where the existence or otherwise of an economically recoverable mineral resource may be determined.

Key Audit Matters (Continued)

Key Audit Matter	How our audit addressed this matter
Deconsolidation and discontinued operations Refer to Note 10 in the financial statements	
<p>On 21 June 2023, receivers were appointed for Navarre Minerals Queensland Pty Ltd and the Mt Carlton operation ('NMQ'), resulting in Navarre Minerals Limited losing control of NMQ. Consequently, management has deconsolidated NMQ from the group and classified its operations as discontinued operations.</p> <p>AASB 10 <i>Consolidated financial statements</i> ('AASB 10') and AASB 5 <i>Non-current Assets Held for Sale and Discontinued Operations</i> ('AASB 5') requires specific recognition and disclosure requirements relating to revenues, expenses, and cash flows of discontinued operations. The loss from discontinued operations amounted to \$60.1m, inclusive of a loss on disposal of \$47.8m.</p> <p>We determined this to be a Key Audit Matter due to the materiality of these transactions. Also, the classification of revenue and expenses as discontinued operations involves management's judgement.</p>	<p>Our audit procedures in relation to accounting and disclosures of the deconsolidation and discontinued operations included:</p> <ul style="list-style-type: none"> • Reviewing management's assessment of classification of the discontinued operations; • Conducting substantive audit procedures over revenue and expenses transactions of the discontinued operations. This included detail testing over material balances at the date of deconsolidation to corroborate that the accounting journal to deconsolidate NMQ was materially accurate; and • Reviewing the presentation and disclosures in the financial statements and notes to ensure were in compliance with AASB 5 and AASB 10.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Consolidated entity's annual report for the year ended 30 June 2023; but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Consolidated entity to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Consolidated entity or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance; but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/admin/file/content102/c3/ar2_2020.pdf. This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 16 to 27 of the directors' report for the year ended 30 June 2023.

In our opinion, the Remuneration Report of Navarre Minerals Limited, for the year ended 30 June 2023, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

A stylized, handwritten signature of the RSM firm.

RSM AUSTRALIA PARTNERS

A handwritten signature of R J Morillo Maldonado.

R J MORILLO MALDONADO

Partner

Dated: 30 August 2024
Melbourne, Victoria

Navarre Minerals Limited
Additional Shareholder Information

ADDITIONAL SHAREHOLDER INFORMATION

The information set out below was compiled as at 2 August 2024.

The NML securities remain in voluntary suspension as at the date of signing this report.

1. Distribution of Equity Securities

(i) Ordinary share capital

1,502,929,149 fully paid ordinary shares are held by 5,725 individual shareholders.

At a general meeting of shareholders, on a show of hands, each person who is a shareholder or sole proxy has one vote. On a poll, each shareholder is entitled to one vote for each fully paid share.

(ii) Unquoted options on issue

The Company does not currently have any options on issue.

There are no voting rights attached to options.

(i) Unquoted share performance rights on issue

The Company does not currently have any performance rights on issue.

There are no voting rights attached to performance rights.

(ii) Analysis of number of shareholders by size of holding

	Ordinary shares		
	Holders	Total Units	% IC
1 – 1000	168	16,715	0.00
1,001 – 5,000	325	1,229,978	0.08
5,001 – 10,000	770	6,155,722	0.41
10,001 – 100,000	2,930	127,681,237	8.50
>100,001	1,532	1,367,845,497	91.01
Totals	5,975	1,502,929,149	100.000

2,398 holders holding a total of 27,502,117 shares held less than a marketable parcel of ordinary shares based on the most recently traded share price of \$0.019.

Navarre Minerals Limited
Additional Shareholder Information

ADDITIONAL SHAREHOLDER INFORMATION (CONTINUED)

2. 20 Largest Shareholders

The following table sets out the top 20 holdings of the Company's shares:

Shareholder	Number of shares	% Issued capital
EVOLUTION MINING LIMITED	176,565,396	11.748%
CITICORP NOMINEES PTY LIMITED	155,910,366	10.374%
KIRKLAND LAKE GOLD LTD	87,117,934	5.797%
NEWMARKET GOLD NT HOLINGS PTY	47,981,303	3.193%
HSBC CUSTODY NOMINEES	45,660,420	3.038%
DR STEPHEN GARTH NORDSTROM	40,600,000	2.701%
MARADOX PTY LTD	23,333,333	1.553%
MR YIFENG CHEN	13,702,016	0.912%
MR IAN JOHN HOLLAND	13,333,334	0.887%
MR HOWARD MANLY DIMOND &	12,600,000	0.838%
PE GROUP HOLDINGS PTY LTD	12,244,925	0.815%
NEW CHUM HOLDINGS PTY LTD	12,000,000	0.798%
MRS KATHRYN-ANNE HOPKINS	10,722,517	0.713%
MRS LINDA MARGARET DIMOND &	10,000,000	0.665%
CP FUTURES PTY LTD	10,000,000	0.665%
MR KEVIN JOHN WILSON	9,419,302	0.627%
GREENHILL ROAD INVESTMENTS PTY	8,499,917	0.566%
TONY WITHERS PTY LTD	8,139,658	0.542%
SAN SOFTWARE AUSTRALIA PTY	6,350,000	0.423%
VALLEYTECH INSTRUMENTATION	5,900,000	0.393%
Top 20 Holdings	710,080,421	47.246%

4. Substantial Shareholders

The substantial holders in the Company, as disclosed in substantial holding notices given to the Company, are set out below:

Shareholder	No of shares	% Issued Capital
Evolution Mining Limited ¹	176,565,396	11.75
Kirkland Lake Gold Australia Pty Ltd. (KLGA) and Kirkland Lake Gold Ltd.(KL) (Related Corporate Bodies) ²	135,099,237	8.99
Mitsubishi UFJ Financial Group, Inc. ³	75,411,825	5.02
Comet Asia Holdings II Pte. Ltd (and associated holdings) ³	75,303,096	5.01

¹ As set out in substantial holding notice dated 16 March 2023.

² As set out in substantial holding notice dated 22 November 2021.

³ As set out in substantial holding notice dated 2 March 2022.

⁴ As set out in substantial holding notice dated 29 March 2022.

4. Other information

The Company is not currently conducting an on-market buy-back.

5. Restricted securities

The Company advises that there are no restricted securities on issue.

6. Director Nomination

Navarre Minerals Limited
Additional Shareholder Information

The Company will hold its 2023 Annual General Meeting of shareholders at a date to be confirmed. The Company also advises that in accordance with ASX Listing Rule 14.5 and the Company's constitution the Closing Date for receipt of nominations for the position of Director will be advised in announcement lodged on ASX. Any nominations must be received in writing no later than 5.00pm (Melbourne time) on this date at the Company's Registered Office.