NAVARRE MINERALS LIMITED

ABN 66 125 140 105

Annual Report 2018

Navarre Minerals Limited
ABN 66 125 140 105

Corporate Directory

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

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

Company Secretary
Colin Naylor

Registered Office & Principal Operations Office
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Stawell Victoria 3380 Australia

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Share Registrar
Boardroom Pty Limited
Level 7, 207 Kent Street
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Telephone +61 (2) 9290 9600
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Auditor
RSM Australia Partners
Level 21
55 Collins Street
Melbourne Victoria 3000 Australia

Stock Exchange Listing
ASX Limited
Level 4, North Tower, Rialto
525 Collins Street
Melbourne Victoria 3000 Australia

ASX Code: NML

Incorporated 30 April 2007
Victoria, Australia

Contents

FORWARD LOOKING STATEMENTS

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

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

CHAIRMAN'S REPORT

Dear Fellow Shareholder,

It is my pleasure to present the Navarre Minerals Limited Annual Report for the year ended 30 June 2018.

In the last 12 months we have witnessed a renaissance in Victorian gold with your company being a significant contributor by undertaking an expansive exploration program which yielded two greenfield discoveries and a further two new prospects at our core projects.

At the flagship Irvine Gold Project near Stawell, Navarre delivered its second gold discovery, the Adventure Lode, which follows the initial discovery of the Resolution Lode in December 2016. These discoveries continue to expand the gold mineralised system at Irvine and enhance its potential as a new, large scale gold project, all within trucking distance of the fully permitted and recently re-opened Stawell Gold Mine.

The Tandarra Project, near Bendigo, subject to an earn-in with Catalyst Metals Limited, continued to deliver further upside with the discovery of a second, deeper gold-bearing quartz reef on the Tomorrow Line. Catalyst has now earned a 51% equity interest in the project following completion of its exploration spend. Navarre is pleased to work with Catalyst to secure a Retention Licence over the property and to finalise a Joint Venture agreement for the ongoing exploration and development of this exciting gold asset.

During the year the Company also made two early-stage gold-silver discoveries in western Victoria at its Glenlyle and St Arnaud projects which will require further follow-up drilling.

Corporately, with the continued support of our loyal shareholders, the Company has maintained a sound financial position from which to pursue its growth objectives. The Board would like to thank all shareholders for their continued support of Navarre Minerals.

On behalf of the Board, I would like to acknowledge the dedication and commitment of our first-class management team, who continue to work tirelessly to deliver exploration success and advance our project portfolio. I would also like to thank the communities in which we operate for their ongoing support and assistance.

In the current year the Company's priority is to advance the Irvine Gold Project by drilling depth extensions of the Adventure and Resolution lodes to firm up the gold potential of these prospects. We look forward to sharing results with shareholders in the year ahead.

Kevin Wilson
Chairman

5 September 2018

Navarre Minerals Limited
ABN 66 125 140 105

MANAGING DIRECTOR'S REVIEW OF OPERATIONS

The Company completed its largest and most successful drilling campaign during the 2018 financial year with more than 42,000m of air-core (AC), reverse circulation (RC) and diamond core drilling (DD) across its flagship and regional projects in central and western Victoria. The drilling campaign, commencing October 2017 and completed in June 2018, delivered new mineral discoveries at the Irvine, Tandarra, Glenlyle and St Arnaud projects.

Summary of 2017-18 Drilling Campaign:

1. **16,200m of AC, RC and DD drilling at the 100%-owned Irvine Gold Project** (EL 5476), targeting Stawell-style gold mineralisation on the flanks of the 9km long Irvine basalt dome. This drilling highlighted the growing potential of a major new gold system, particularly:
    a. the discovery, and subsequent extension to a strike length of 1.7km, of Adventure Lode gold-in-quartz structure;
    b. the confirmation of significant high-grade gold (including presence of visible gold) in shoot structures at depth at Resolution Lode, similar to the nearby 4Moz Magdala gold deposit; and
    c. Identification of a new gold prospect at Red Hill on the southern end of the 9km long Irvine basalt dome.
2. **6,500m of first-pass AC drilling testing for potential high-grade gold mineralisation in four drill traverses at the St Arnaud Gold Project** (EL 6556) (100% Navarre). Discovery holes, SAC022 - 4m @ 6.6g/t gold and SAC055 – 1m @ 67.4 g/t silver, demonstrate potential for economic mineralisation to exist under cover more than 5kms north of historic St Arnaud Goldfield (see ASX releases 6 June and 30 July 2018).
3. **900m of first-pass AC drilling targeting potential gold hosted in granite at the Stawell Granite Gold Project** (EL 6418) (100% Navarre; reported in ASX release 19 March 2018). Drilling encountered several zones of gold at the base of a broad alluvial channel. The highlight result was 1m @ 7.3 g/t gold;
4. **2,100m of first-pass AC drilling at 100%-owned Glenlyle Project** (EL 5497) resulting in the discovery of a new epithermal gold-silver system (reported in ASX release of 23 April 2018); and
5. **Approximately 17,000m of AC, RC and DD drilling targeting extensions of Bendigo/Fosterville style high-grade gold and the discovery of a deeper gold zone at the Tandarra Gold Project** (EL4897) (49% Navarre) (reported in CYL's ASX releases of 27 April 2018 & 13 July 2018).

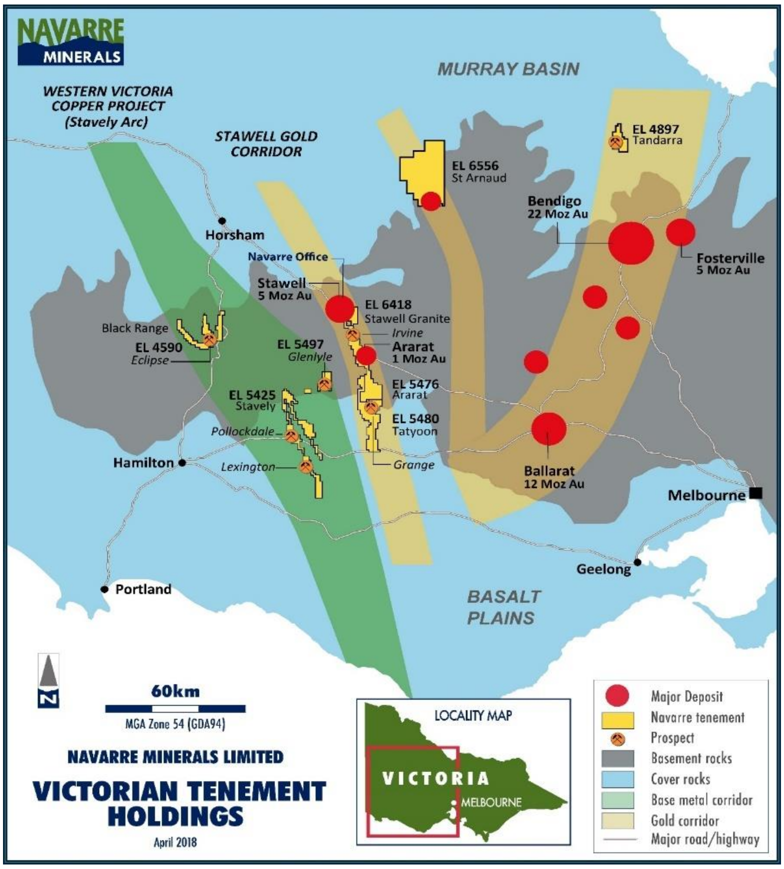

Figure 1: Location of Navarre's Victorian projects.

Navarre Minerals Limited
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STAWELL GOLD CORRIDOR (ELs 5476, 5480, 6418, 6525, 6526, 6527, 6528, 6702, 6703, 6745 & ELA 6530)

Navarre owns a 70km stretch of the prospective Stawell Gold Corridor extending south from the 4Moz Stawell Gold Mine. The Company's tenure comprises 100%-ownership of several key exploration licences including the historic 1Moz Ararat Goldfield.

Combined, the exposed 40kms of basement rocks occurring between Ararat and Stawell have yielded more than 6 million ounces of gold. The Stawell Gold Corridor located north and south of this area is concealed under younger cover and is a prime exploration target.

The largest gold mine along the Stawell Corridor is the 4Moz Magdala Gold Mine which has produced gold from a deposit mined to depths of more than 1,600m below surface.

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

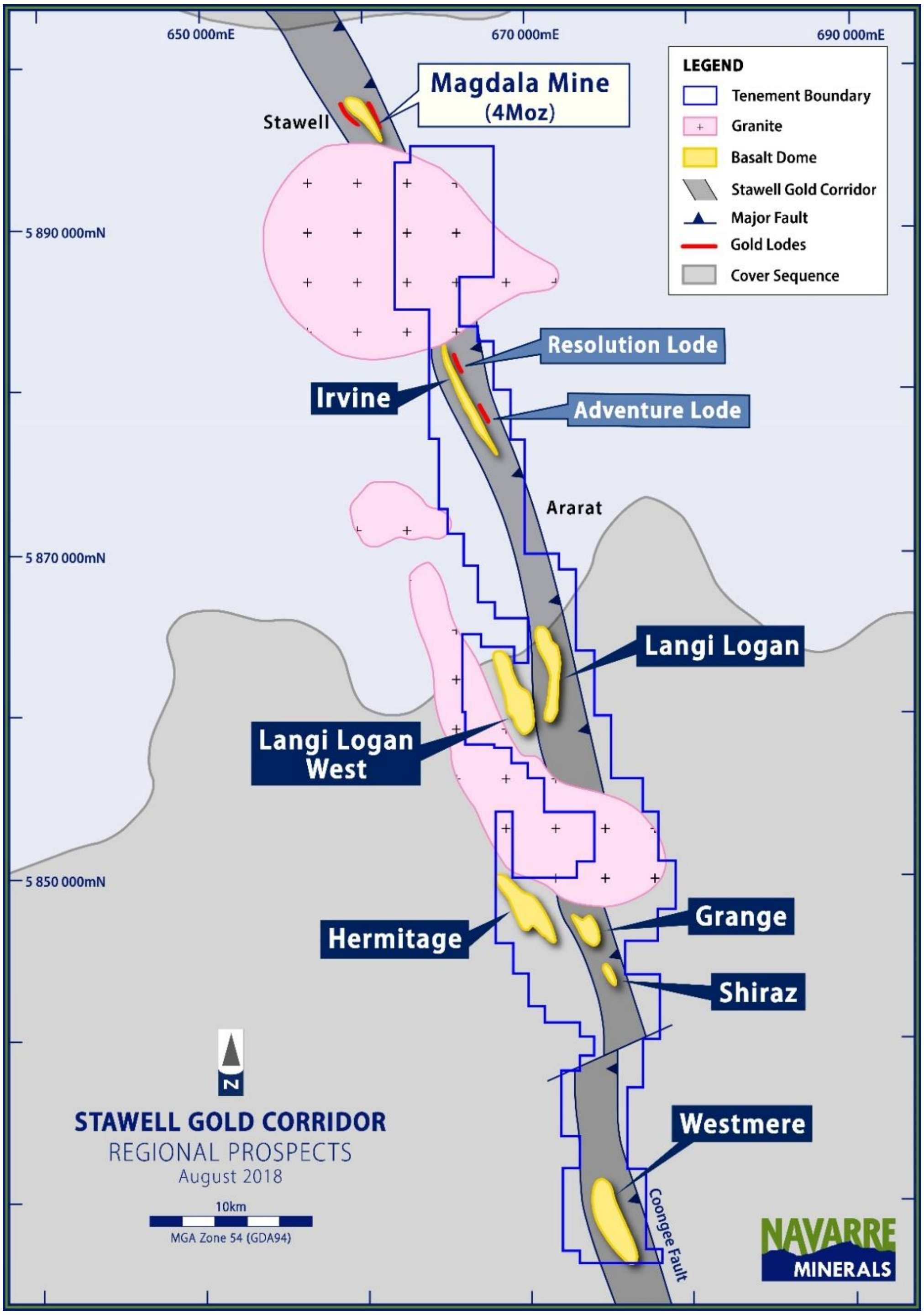

Figure 2: Stawell Corridor Gold Project location map.

Ararat (EL 5476)

Irvine Gold Project

The exploration of the Company's 100%-owned Irvine Gold Project remained its core focus in the 2018 financial year. The Project is located 15kms south of the 4Moz Magdala gold deposit in Stawell (Figure 2).

Navarre completed 16,200m of drilling at the Irvine Gold Project during the year resulting in the discovery of a second significant gold zone, the Adventure Lode – following on from the discovery of Resolution Lode in the previous financial year.

Adventure and Resolution lodes provide Navarre with an extensive mineralised system at the Irvine Gold Project with a combined total strike length of more than three times the length of the surface expression of the Magdala gold deposit (see Figure 5). Both lodes are planned to be subject to deeper scoping drilling aimed at defining a mineral resource.

Adventure Lode

Routine AC drilling of a strong geophysical anomaly adjacent to the Irvine basalt dome resulted in the discovery of a near surface gold-bearing quartz-sulphide zone now referred to as the Adventure Lode (see ASX announcement, 30 November 2017). The identification of shallow basement gold within the oxide zone using AC drilling is an important precursor to Navarre's strategy for deeper testing of the fresh rock with subsequent RC and diamond drilling.

The 1.7km long Adventure Lode is located on the eastern flank of the 9km long Irvine basalt dome in the same geological position as the Resolution Lode, 4kms further to the north (Figure 5).

The discovery confirms the Company's multi-lode exploration model at the Irvine Gold Project.

Highlight AC drilling results from Adventure Lode can be found in the Company's ASX announcements of 30 November 2017, 13 December 2017, 24 January 2018, 1, 10 and 28 May 2018.

Adventure Lode is planned to be subjected to a resource drilling program commencing in 4Q18.

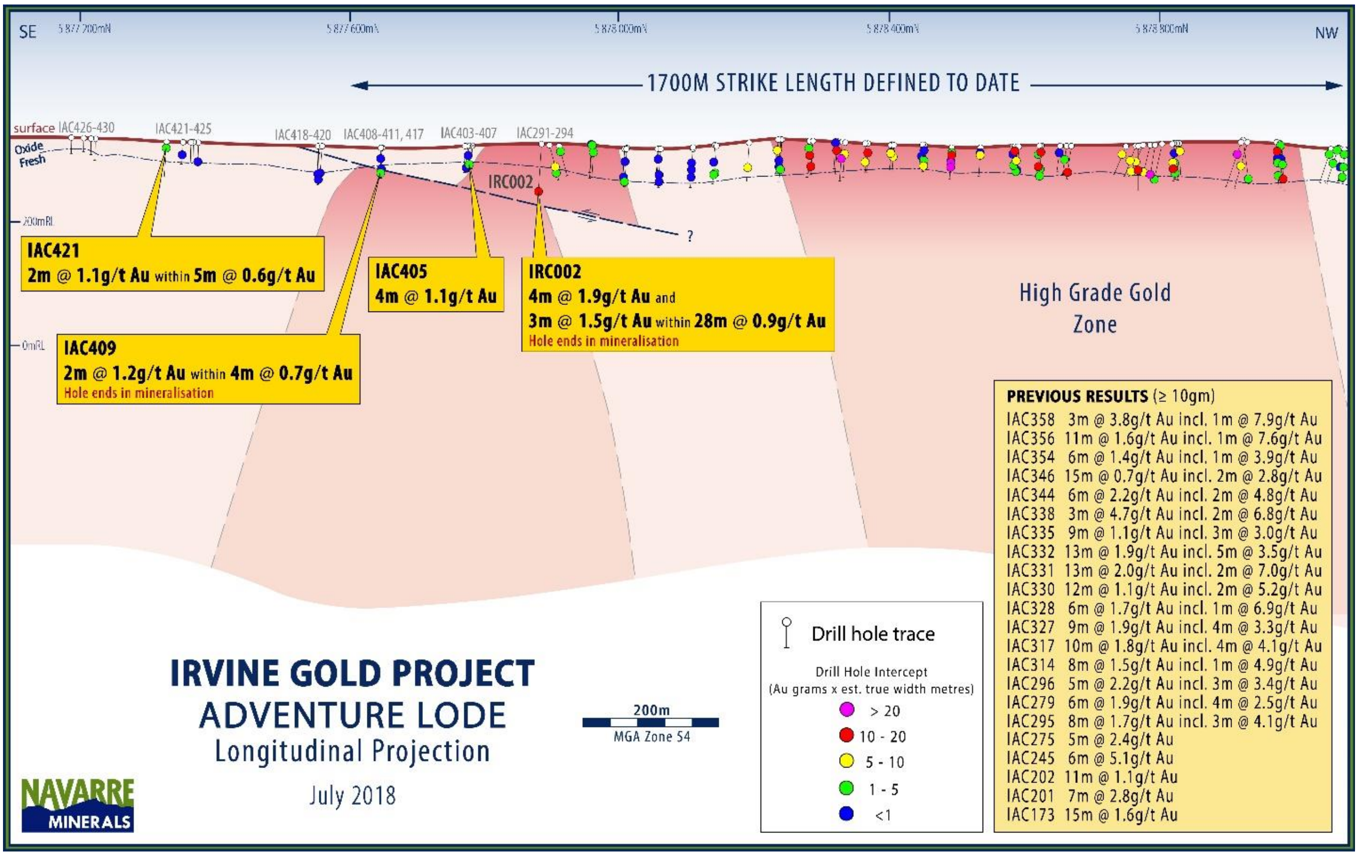

***Figure 3: Adventure Lode longitudinal projection showing key drill intercepts** (refer to ASX release 25 July 2018).*

Resolution Lode

Resolution Lode was Navarre's first gold discovery at the Irvine Gold Project (refer ASX announcements of 1 and 15 December 2016, and 16 January 2017).

During the year the Company completed a four hole (RD011-RD014), 1,137m DD program designed to target depth extensions of primary gold mineralisation. This program delivered multiple high-grade gold intersections and was successful in intersecting higher-grade 'gold shoots' below a blanket of lower grade shallow oxide gold mineralisation - typical of the gold mineralisation zonation patterns observed in western Victoria (particularly at the Magdala Gold Deposit).

The highlight results from the DD program included **10.6m @ 6.2 g/t Au** from 135.7m down hole in RD012 (see Figure 4 and ASX announcement of 28 May 2018).

The DD results reinforced the inferred extent, continuity and high-grade nature of the primary gold mineralisation below the oxide gold discovery at Resolution Lode. Further details of the DD program, and results, are provided in ASX announcement, 28 May 2018.

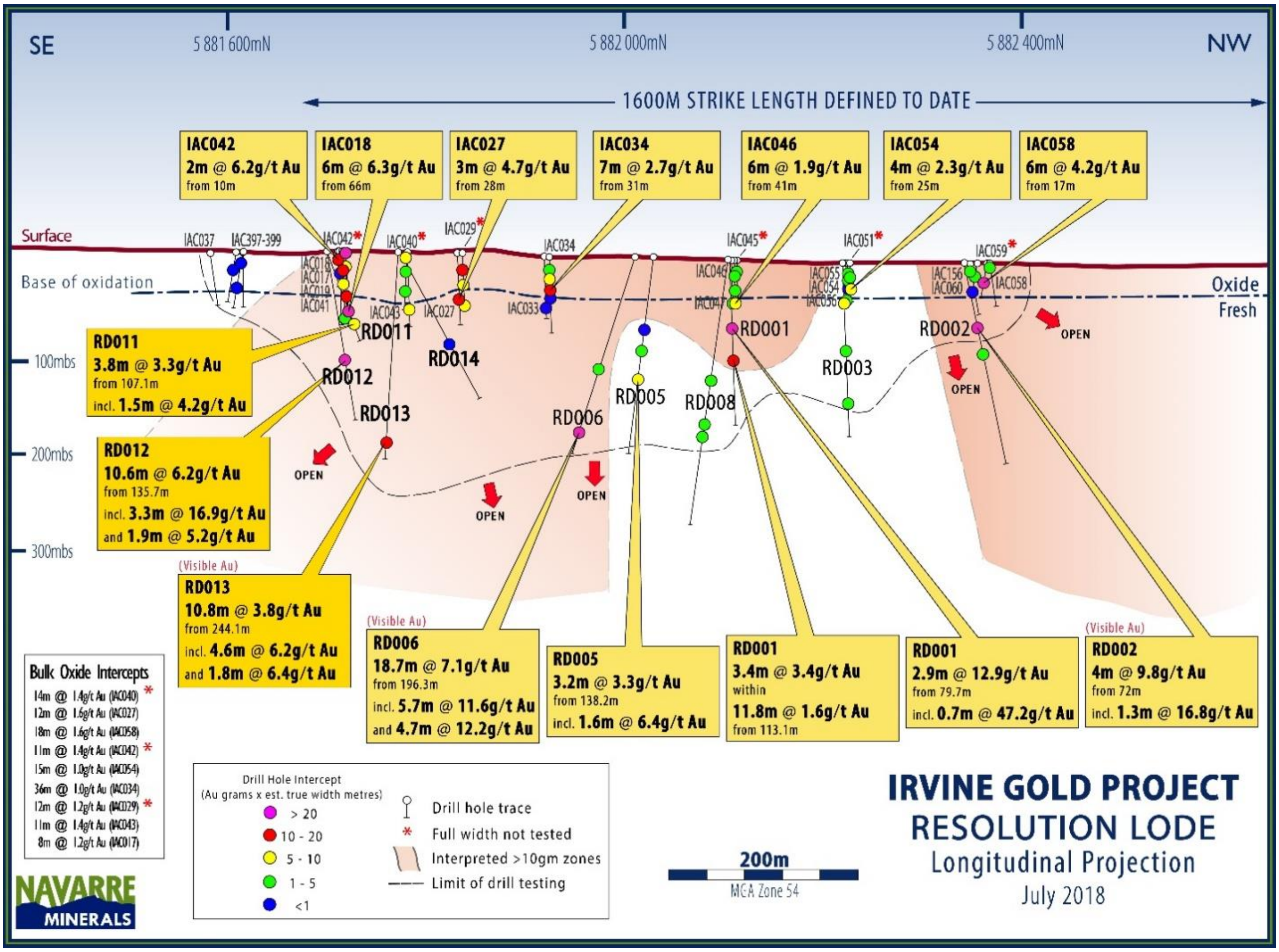

Figure 4: Longitudinal Projection of the Resolution Lode showing location of RD011 to RD014** (refer to ASX release 25 July 2018)**.

Irvine regional prospects and targets

A mapping and surface rock chip sampling program was conducted at the **Red Hill prospect**, which is located on the southern end of the Irvine basalt dome (Figure 5). This program delivered positive results and was followed up with a reconnaissance AC drilling program. A best result of **2m @ 2.1 g/t Au** from 9m, including **1m @ 3.5 g/t Au** in hole IAC373 was intercepted off the west flank of the Irvine basalt beneath several historic prospecting pits (see ASX announcement of 10 May 2018).

The gold mineralisation in IAC373 is in a similar position to that observed at the Napoleon prospect to the north. Further drilling will be planned to infill this area to test if it connects to Napoleon.

Reconnaissance AC drilling was also completed to test several other geophysical targets identified on the east flank of the Irvine basalt dome between Adventure Lode and Resolution Lode, north of Hospital Hill and on the west flank near Napoleon (Figure 5). Several anomalous gold results were returned. Further information on the Irvine AC drilling program and results are provided in ASX announcements of 25 July, 1 May and 10 May 2018.

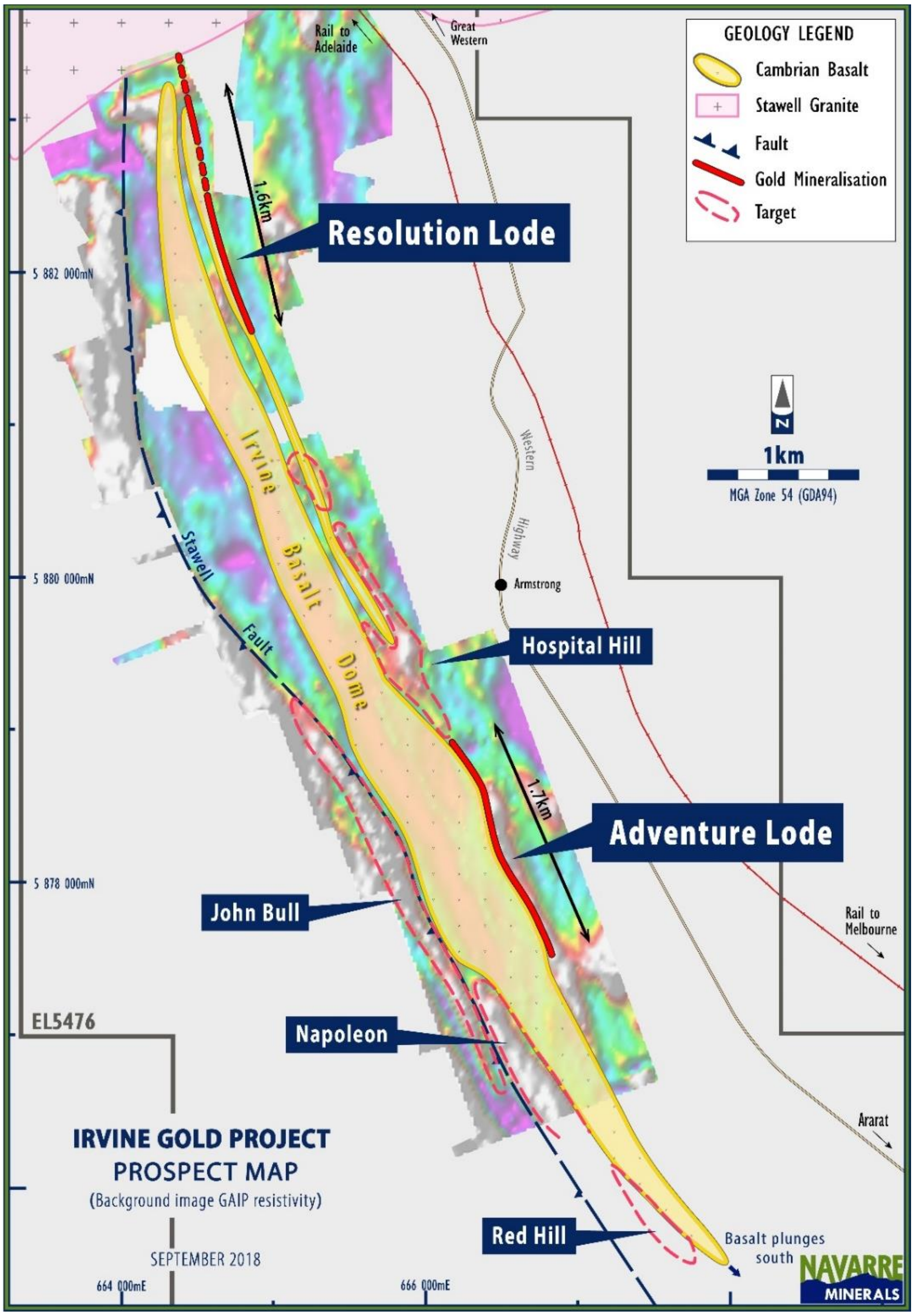

Figure 5: Irvine Gold Project map showing discovery areas, prospects and targets.

Stawell Granite Gold Project (EL 6418)

A first-pass 24 hole - 857m reconnaissance AC drilling program was completed at the Stawell Granite Gold Project in February 2018. The Project is located adjacent to the Stawell Gold Mine (Figure 1). Three traverses of AC drilling were completed, the best results were from the base of an alluvial channel and included (see Figure 6):

- **1m @ 7.3 g/t gold** from 20m in SGA016;
- **1m @ 2.2 g/t gold** from 17m in SGA011; and
- **1m @ 1.1 g/t gold** from 19m in SGA018.

Further details of the drilling at the Stawell Granite Gold Project is provided in ASX announcement of 19 March 2018.

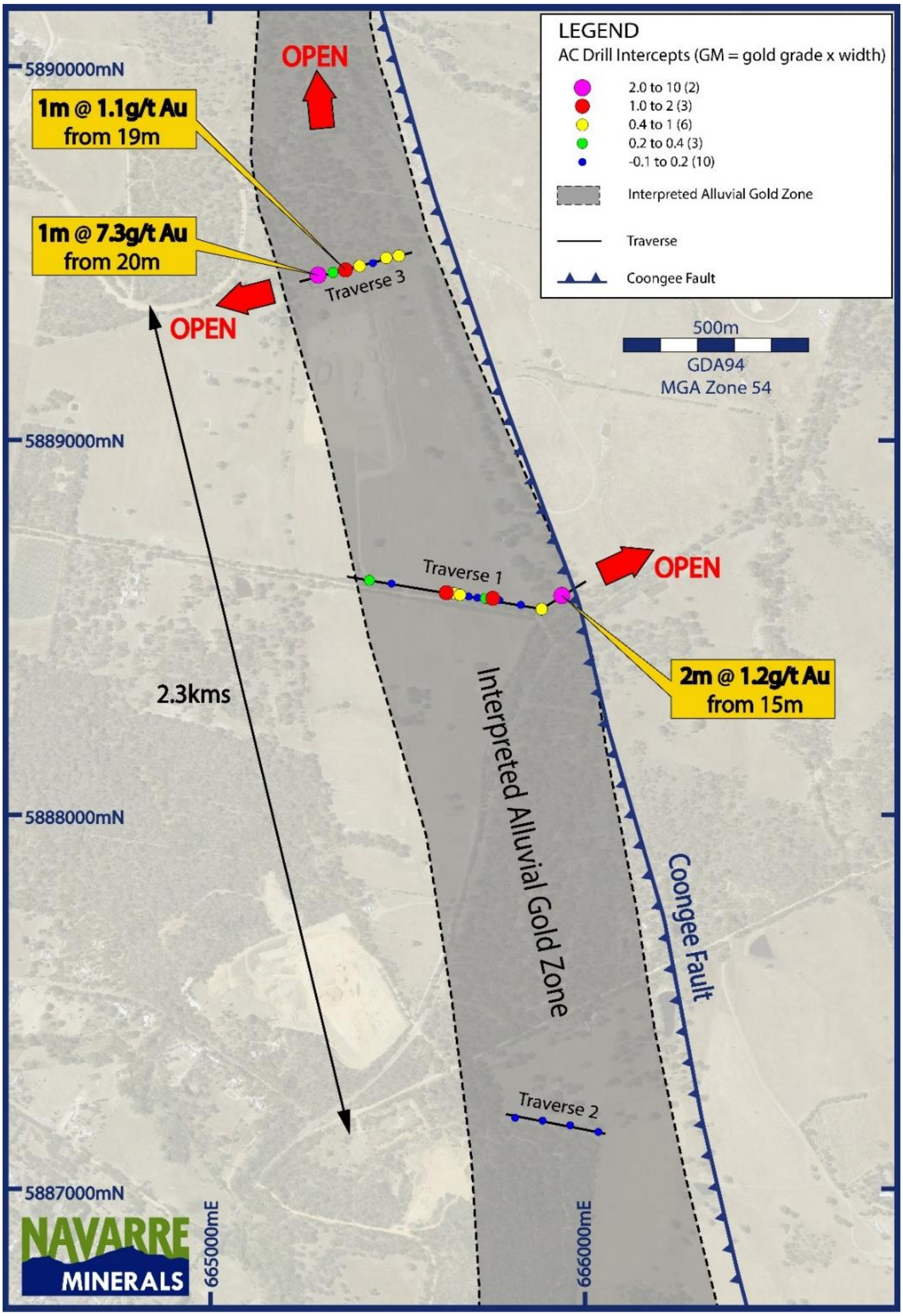

Figure 6: Plan view of Stawell Granite Gold Project showing first-pass AC drill results and interpreted alluvial gold extensions** (refer to ASX release 19 March 2018)**.

Tatyoon (EL 5480)

No significant activity was undertaken on the Tatyoon licence during the year while the Company's resources were focused at the Irvine Gold Project.

New Exploration Licences (ELs 6525, 6526, 6527, 6528, 6702, 6703, & 6745)

Several new exploration licences adjoining the Irvine Gold Project (EL5476) were granted during the year. There was no significant work undertaken on these tenements.

ST ARNAUD GOLD PROJECT (EL 6556 & ELA 6819)

Navarre completed a highly successful maiden, reconnaissance AC drilling program at several previously undrilled targets at its 100%-owned St Arnaud Gold Project, 250km northwest of Melbourne (Figure 1), during the year.

Four east-west traverses (T1 – T4) of drilling totalling 6,512m across 80 holes were completed at the Project (Figure 7), designed to test for early indications of potential high-grade gold.

The results confirmed the strong potential of the St Arnaud Project to host economic gold and silver deposits. Gold or silver mineralisation was intersected in all four drill traverses, with multiple significant intersections of gold and silver mineralisation returned. Mineralisation remains open along strike and at depth and will be subject to follow-up drilling (refer ASX announcements of 6 June and 30 July 2018).

The best gold result was **4m @ 6.6g/t Au** from 48m (SAC022) and the best silver results was **1m @ 67.4 g/t Ag** from 50m (SAC055).

Highlight results from first pass drilling include (See Figure 7):

- **4m @ 6.6 g/t Au** from 48m down hole (SAC022)
- **1m @ 67.4 g/t Ag** from 50m down hole (SAC055)
- **1m @ 6.3 g/t Ag** from 18m down hole (SAC074)
- **1m @ 1.3 g/t Au** from within a broader zone of 2m @ 0.8 g/t Au from 67m down hole (SAC024)
- **1m @ 1.1 g/t Au** from within a broader zone of 15m @ 0.2 g/t Au from 57m down hole (SAC025)
- **4m @ 5.5 g/t Ag** from 36m and 2m @ 0.6 g/t Au from 11m down hole (SAC015)
- **6m @ 2.8 g/t Ag** from 59m down hole (SAC019)
- **1m @ 0.9 g/t Au** from within a broader zone of 21m @ 0.2 g/t Au from 42m down hole (SAC047)
- **1m @ 2.6 g/t Ag** from 9m down hole (SAC080

The drill targets were situated northwest of the historic 0.4Moz St Arnaud Goldfield and are interpreted to be the northward projection of the St Arnaud Goldfield, beneath shallow Murray Basin cover (of 2 to 25m). This area has not previously been subject to drilling.

The Company is utilising its extensive knowledge base of other Victorian gold deposits plus the methodologies developed and applied in the exploration of Navarre's Tandarra gold discovery in western Victoria (Figure 1) in its exploration approach at the St Arnaud Gold Project.

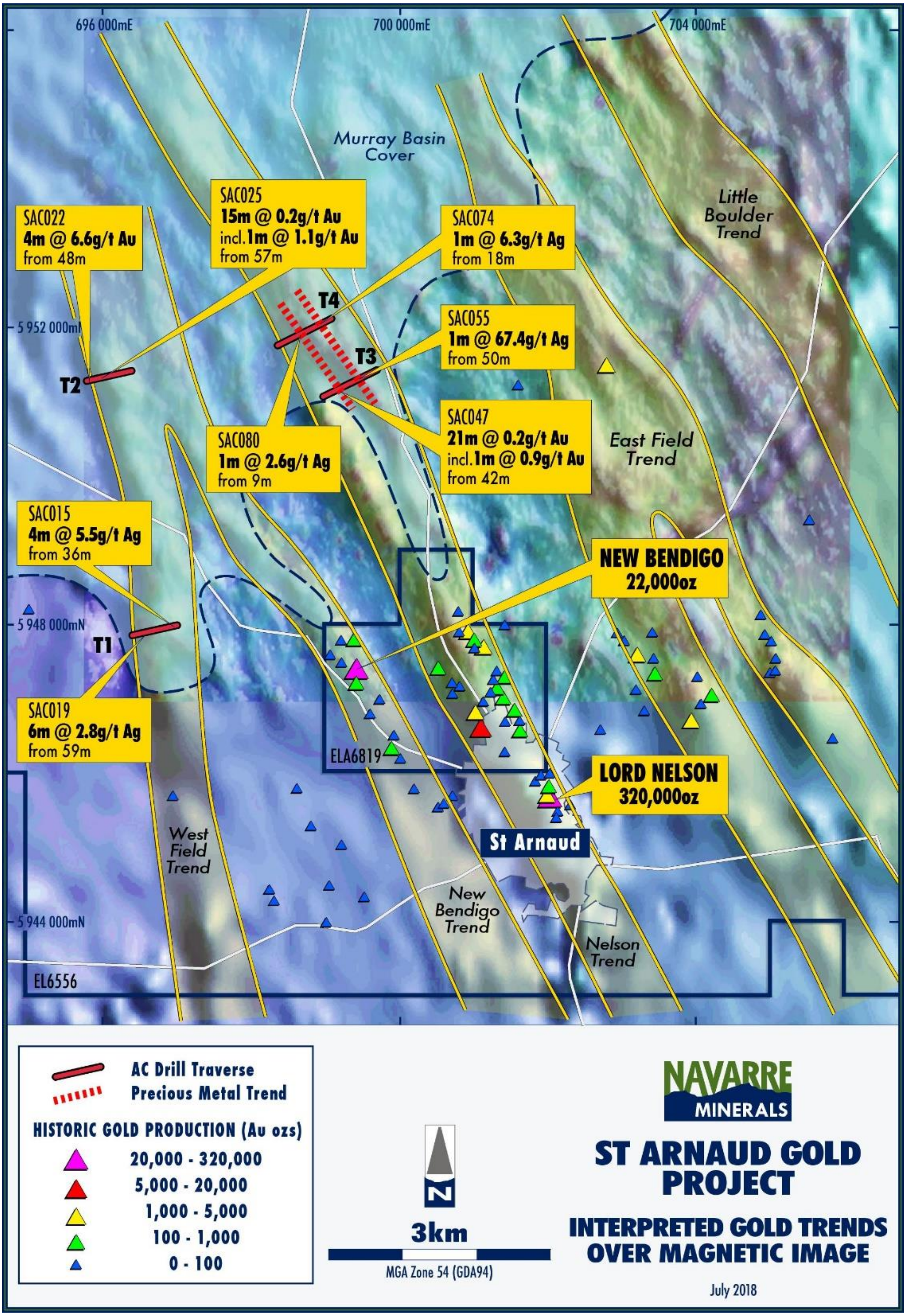

Figure 7: St Arnaud Gold Project map showing historic gold production, interpreted mineralised trends and location of four AC drill traverses (ELA6819 is a new exploration licence application) *(refer to ASX release 30 July 2018)****.***

WESTERN VICTORIA COPPER PROJECT (ELs 5497, 5425, 5426 & 4590)

Glenlyle Project (EL 5497)

A 33-hole AC drilling program comprising approximately 2,100m was completed at the Glenlyle Project (refer ASX announcement of 23 April 2018). This maiden drilling program discovered a new greenfields epithermal gold-silver system. Drilling intersected multiple broad zones of elevated silver mineralisation, containing several discrete veins of gold mineralisation and anomalous lead and zinc.

The results highlighted the Project's potential to host a major epithermal gold-silver system at shallow depths above an interpreted deeper porphyry target.

The best drill intersection was **46m @ 8.1g/t silver**, including **1m @ 252g/t silver, 3.1g/t gold, 0.3% lead, and 0.3% zinc** (intersected at the bottom of hole GAC030). This intersection occurs with at least one other discrete gold zone within a broad envelope of anomalous silver (assaying between 1.2 and 8.1 g/t Ag).

The broad silver zone is interpreted to be approximately 100m wide and is situated on the eastern edge of a significant chargeability high and coincident gravity low. This intersection remains open along strike and at depth.

Other significant intercepts included (Figure 8):

- **33m @ 2.1 g/t silver** from 51m to end of hole (GAC028), including
  - **2m @ 12.7 g/t silver** from 67m and **3m @ 0.3 g/t gold**
- **10m @ 1.2 g/t silver** from 56m to end of hole (GAC029); and
- **2m @ 1.1 g/t gold** from 44m within a broader zone of **6m @ 0.5 g/t gold** from 40m (GAC010)

Expansion and infill drilling are required across this zone to scope the potential of the mineralised epithermal veins.

Further information on the drilling program at the Glenlyle Project is provided in ASX announcement of 23 April 2018.

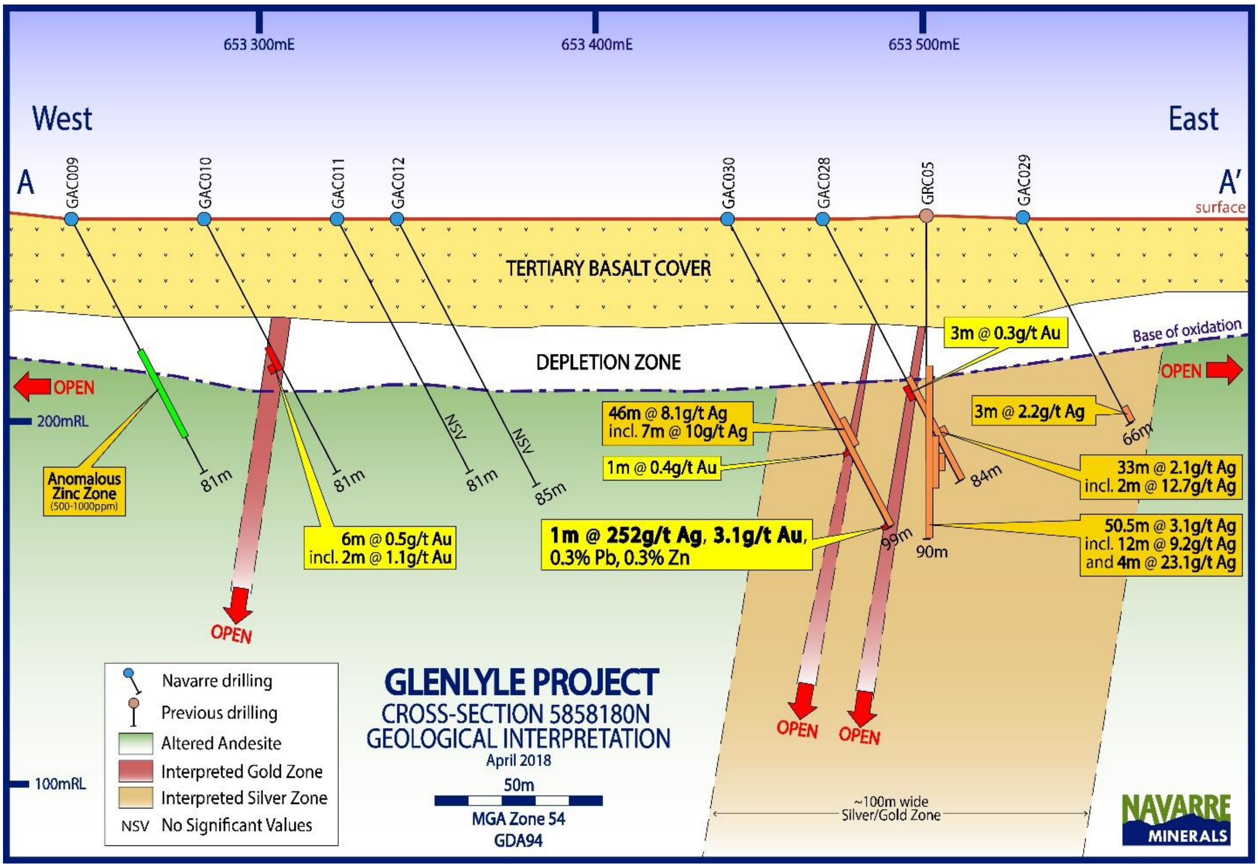

***Figure 8: Cross-section 5,858,180N interpretation at the Glenlyle Project showing key drill intercepts, geology and alteration** (refer to ASX release 23 April 2018).*

Stavely Project (EL 5425) - Earn-in Agreement with Stavely Minerals Limited

In January 2018 the Company entered into an Earn-in and Joint Venture Agreement with Stavely Minerals Limited (ASX: SVY) (Stavely) under which Stavely may earn up to an 80% equity interest in Exploration Licence EL5425 by spending $450,000 over a five year period. EL5425 surrounds Stavely's namesake Stavely Copper Project in western Victoria (Figure 1).

Stavely commenced work programs at EL5425 during the year. This included the completion of a 251.3m DD hole (SMD027) to test a discrete magnetic feature along a major north-south structure, approximately 2km north of the Thursday's Gossan copper-gold porphyry prospect. The hole intersected gabbro containing disseminated magnetite to a depth of 174m and then siltstone and sandstone to the end of hole. The disseminated magnetite is believed to be the source of the magnetic anomaly.

Stavely plans to further progress work on EL5425 in the year ahead, commencing with:

- Conducting litho-geochemical sampling and age dating on drill hole SMD027; and
- Drill planning for other regional targets identified on EL 5425.

No work was undertaken on tenement EL 4590 during the year.

TANDARRA GOLD PROJECT (EL 4897) (Navarre free carried, Catalyst Metals Ltd earning 51%)

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

The Tandarra Project is subject to an Earn-in Joint Venture with Catalyst Metals Limited (Catalyst) (ASX: CYL) under which Catalyst has the right to earn a 51% equity interest in the Tandarra Project by incurring exploration expenditure of $3 million over four years to September 2018. This expenditure commitment was met during the year (refer Catalyst ASX announcement of 1 June 2018), and a Joint Venture Agreement for the Project is currently being finalised.

Under the Earn-in Agreement, Catalyst has managed and conducted the exploration programs at the Project. During the year, work focused on DD and RC drilling at the Tomorrow Gold Zone within the Tandarra Project area (Figure 9). AC drilling was also conducted at several regional targets.

Deeper diamond drilling at the Tomorrow Zone resulted in the discovery of a new auriferous quartz reef approximately 200m below the upper reef on the Tomorrow Line (Figure 9). This 'reef repeat' confirms a typical Bendigo/Fosterville gold architecture and further infill and expansion drilling will be required to define its gold potential.

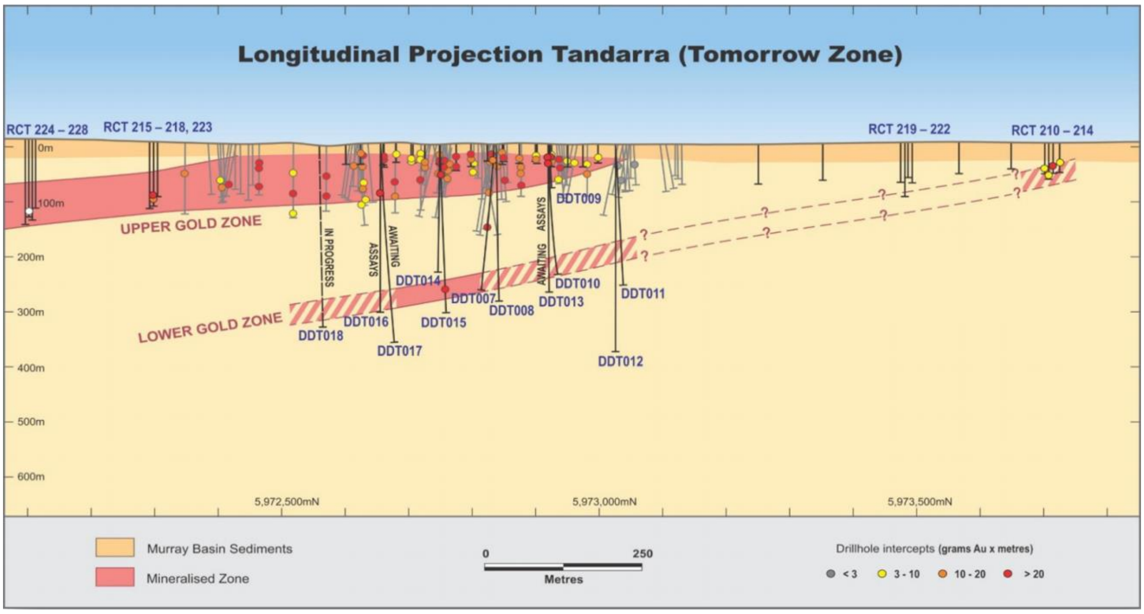

Figure 9: Tandarra Gold Project longitudinal view showing location of Diamond and RC drilling *(diagram courtesy of Catalyst Metals Limited, ASX 8 August 2018)*.

Further information on the Tandarra Project including drilling results is provided in Catalyst Minerals' ASX announcements of 27 April and 13 July 2018.

CORPORATE

Capital raising

In October 2017, Navarre successfully completed a Share Placement to sophisticated and institutional investors to raise $1.55 million (before costs) to help fund its ongoing exploration programs on its project portfolio.

The Placement was completed via the issue of 38,750,999 new fully paid ordinary shares in the Company at a price of $0.04 per share. The Placement was well supported by the Company's largest shareholder, Kirkland Lake Gold Ltd.

Exercise and expiry of unlisted $0.05 options

Options were issued on a 1-for-2 basis to participants in the Company's capital raisings between September and November 2016. The Company was pleased with the strong levels of interest shown by Options holders, with 99.5% of the Options exercised. The total number of Options exercised before their expiry on 31 March 2018 was 34,243,757, with a total of $1.7 million raised (before costs). The remaining 178,860 unexercised Options lapsed following their expiry on 31 March 2018.

Exploration credits issued pursuant to the Exploration Development Incentive

In June 2018, Navarre distributed exploration credits of $394,283 (27.5% of Navarre's 'eligible greenfields exploration expenditure' in the year ended 30 June 2017) to shareholders pursuant to the Federal Government's Exploration Development Incentive (EDI). The exploration credits were distributed to shareholders on a pro rata basis relative to the number of shares held and the total shares on issue (294,646,251) at the Record Date of 9 May 2018. The EDI enables eligible exploration companies to create exploration credits by giving up a portion of their carried forward losses from eligible exploration expenditure and distributing these exploration credits to equity shareholders.

Cash position

The Company's cash balance at 30 June 2018 was $1.4 million. An additional $365,090 (excluding GST) was received subsequent to the financial year from the Victorian State Government TARGET Minerals Initiative co-funding grant.

OUTLOOK

The Board and management of Navarre will continue to invest in the Company's exploration portfolio via targeted drilling programs designed to deliver shareholder value.

Geoff McDermott
Managing Director

5 September 2018

Competent Person Declaration

The information in this Annual Report that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Shane Mele, who is a Member of The Australian Institute of Mining and Metallurgy and who is Exploration Manager of Navarre Minerals Limited. Mr Mele has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration, and to the activity which he is undertaking, to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Mele consents to the inclusion in the release of the matters based on his information in the form and context in which it appears.

DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2018

The directors present their report together with the consolidated financial statements of the group comprising Navarre Minerals Limited (variously the "Company", "Navarre" and "Navarre Minerals") and its subsidiary (together, the "Group") for the financial year ended 30 June 2018. 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 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	Special responsibilities during the year
Kevin Wilson Appointed 30 April 2007	Chairman Non-executive Independent	*BSc (Hons), ARSM, MBA* 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.	Metminco Limited (ongoing) Investigator Resources Limited (ongoing)	Chairman of the Board Chairman of the Remuneration & Nomination Committee Member of the Audit Committee
Geoff McDermott Appointed 19 May 2008	Managing Director Executive	*BSc (Hons), MAIG* Mr McDermott is 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	Member of the Remuneration & Nomination Committee
John Dorward Appointed 15 August 2008	Director Non-executive Independent	*BComm (Hons), GradDipAppFin, CFA* Mr Dorward is currently President, Chief Executive Officer and Director of Roxgold Inc., a TSX listed gold explorer and producer. Mr Dorward was previously the Vice President Business Development of Fronteer Gold Inc., a TSX listed gold and uranium developer. Prior to joining Fronteer, he was CFO of Mineral Deposits Limited where he was responsible for financing the Sabodala Gold Project in Senegal, West Africa. Preceding this he was CFO and Company Secretary of Leviathan Resources Limited and Commercial Executive and Company Secretary of MPI Mines Limited. Before joining MPI Mines Limited, Mr Dorward had 8 years' experience in the banking sector with a number of years spent in a senior resource project finance role with BankWest.	Roxgold Inc. (ongoing) Contact Gold Corp. (ongoing)	Chairman of the Audit Committee (from 31 July 2018) Member of the Remuneration & Nomination Committee
Colin Naylor Appointed 5 November 2010 Appointed Company Secretary on 31 July 2018	Director & Company Secretary Non-Independent	*B.Bus (Acc), FCPA* Mr Naylor was previously Chief Financial Officer and Company Secretary of oil and gas explorer, Melbana Energy Limited, a position held for over 11 years until July 2018. Before joining Melbana, Mr Naylor held a number of senior roles in major resource companies, including Woodside Petroleum, BHP Petroleum and Newcrest Mining. Mr Naylor also worked at MPI Mines Limited and Leviathan Resources Limited. Mr Naylor was previously a member of the Victorian Divisional Council of the CPA and a previous member of the Group of 100 National Executive and Victorian State Chapter.	None	Previously Chairman of the Audit Committee (until 31 July 2018) Member of the Audit Committee and the Remuneration & Nomination Committee

1. DIRECTORS (cont.)

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	NED Options	MD Options
K Wilson	13,306,085	900,000	-
G McDermott	12,278,568	-	3,100,000
J Dorward	9,206,542	750,000	-
C H Naylor	5,247,895	750,000	-

The terms of these options are set out in Note 19 to the consolidated financial statements.

2. COMPANY SECRETARY

Ms Jane Nosworthy held the position of Company Secretary from 16 January 2012 until 1 June 2018. Ms Jodi Ford was appointed interim Company Secretary for the period 1 June 2018 to 31 July 2018, with Mr Colin Naylor appointed Company Secretary with effect from 31 July 2018. Ms Ford is Assistant Company Secretary.

3. DIVIDENDS

No dividend has been paid, provided or recommended during the financial year and to the date of this report (2017: nil).

4. OPERATING AND FINANCIAL REVIEW

4.1 Principal activities

The principal activities during the year were mineral exploration in Victoria, Australia.

The Company had 7 permanent employees at 30 June 2018, including directors (2017: 6).

4.2 Environment, health and safety

The Group conducts exploration activities in Victoria. 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

The Group maintained an active exploration program during the year with the objectives of identifying economic gold and copper mineral deposits.

Direct exploration expenditure during the 2018 financial year was $3,009,404.

4. OPERATING AND FINANCIAL REVIEW

4.3 Review of operations

The following summary of the Company's exploration activities during the year should be read in conjunction with the Managing Director's Review of Operations 2018, which forms part of, and is included earlier, in this Annual Report.

The Company completed a major drilling campaign totalling more than 42,000m of air-core (AC), reverse circulation (RC) and diamond core drilling (DD) across its Victorian project portfolio in the 2018 financial year. Drilling continued to focus on the priority Irvine Gold Project, and also successfully tested Navarre's regional projects.

4. OPERATING AND FINANCIAL REVIEW (cont.)

4.3 Review of operations (cont.)

(a) Stawell Corridor Gold Project (ELs 5476, 5480, 6418, 6525, 6526, 6527, 6528, 6702, 6703, 6745 & ELA 6530)

Irvine Gold Project (EL 5476)

The 100%-owned Irvine Gold Project is the Company's flagship project located 15kms south of the 4Moz Magdala Gold Deposit in Stawell. The Project is considered an analogue of Stawell's Magdala gold deposit.

Navarre completed 16,200m of AC, RC and DD drilling in several programs on the project during the financial year. These programs resulted in the discovery of a second gold structure called Adventure Lode, on the east flank of the Irvine basalt dome. This follows the discovery of Resolution Lode (situated 4kms to the north) in the previous financial year.

A four hole - 1,137m DD program was also completed at Resolution Lode. This returned multiple high-grade gold intersections beneath a zone of lower grade oxide gold mineralisation (typical of gold mineralisation patterns in western Victoria). The DD results confirm a higher-grade primary "shoot" geometry typical of the mineralisation patterns occurring at Stawell's Magdala gold mine. Gold mineralisation at Resolution Lode remains open at depth.

Adventure and Resolution lodes, represent two significant gold mineralised systems with combined strike lengths of over three times that of the surface expression of the Magdala gold deposit. A program of deeper resource delineation drilling is a main focus for the coming field season.

Stawell Granite Gold Project (EL 6418)

A 24 hole - 857m reconnaissance AC drilling program was completed at the Stawell Granite Gold Project in February 2018 aimed at testing for a primary granite source to abundant historic alluvial gold workings. Three traverses of AC drilling were completed in this maiden program. Gold grading up to 7g/t was intersected at the base of a broad alluvial channel. No primary gold was encountered.

New Exploration Licences (ELs 6525, 6526, 6527, 6528, 6702, 6703 & 6745)

Seven new exploration licences were granted during the year adjoining EL 5476. There was no significant work undertaken on these tenements.

(b) Tandarra Gold Project (EL 4897 / RL 6660)

The Tandarra Gold Project is located approximately 60kms northwest of Kirkland Lake Gold's world-class Fosterville Gold Mine, and 40kms north of the 22Moz Bendigo Goldfield. It is an advanced high-grade exploration project (with gold associated with several quartz reef structures). The Project is subject to an Earn-in Joint Venture with Catalyst Metals Limited (Catalyst) (ASX: CYL), where Catalyst has the right to earn a 51% equity interest in the Project by spending $3 on exploration over a four-year period to September 2018. This expenditure requirement has been achieved (refer Catalyst ASX announcement of 1 June 2018), and a Joint Venture Agreement for the Project is being finalised.

Catalyst's exploration at the Project during the year focused on DD and RC drilling at the Tomorrow Gold Zone and AC drilling over regional targets.

(c) Western Victoria Copper Project (ELs 4590, 5425, 5426, 5497 & ELA 6819)

Glenlyle Project (EL 5497)

Navarre completed a highly successful first-pass 2,100m - 33 hole AC drilling program at the Glenlyle Project (refer ASX announcement of 23 April 2018). The program resulted in the discovery of a new epithermal gold-silver system comprising several discrete veins of gold mineralisation and anomalous lead and zinc within a broad envelope of elevated silver.

Stavely Project (EL 5425) - Earn-in Agreement with Stavely Minerals Limited

In January 2018 Navarre entered into an Earn-in and Joint Venture Agreement with Stavely Minerals Limited (ASX: SVY) (Stavely) under which Stavely may earn up to an 80% equity interest in EL5425 by spending $450,000 over a five-year period.

Stavely completed a 251.3m DD hole to test a magnetic feature approximately 2km north of the Thursday's Gossan copper-gold porphyry prospect. The hole intersected disseminated magnetite which is believed to be the source of the magnetic anomaly.

4. OPERATING AND FINANCIAL REVIEW (cont.)

4.3 Review of operations (cont.)

Black Range Project (ELs 4590 & 5426)

No work was undertaken on tenement EL 4590 during the year. Following review, the non-core EL 5426 tenement was surrendered.

(d) St Arnaud Gold Project (EL 06556 & ELA 6819)

A maiden reconnaissance AC drilling program was conducted over multiple untested targets at the 100%-owned St Arnaud Gold Project, located 250km northwest of Melbourne. Drilling was designed to test for early indications of high-grade gold below shallow Murray Basin cover.

The program comprised a total 6,512m across 80 holes and delivered highly positive results confirming the Project's potential to host economic gold and silver deposits. Gold or silver mineralisation was intersected in all four drill traverses, and mineralisation remains open along strike and at depth.

The best gold result was **4m @ 6.6g/t Au** from 48m (SAC022) and the best silver results was **1m @ 67.4 g/t Ag** from 50m (SAC055). Further details and results are provided in ASX announcements of 6 June and 30 July 2018.

The drill targets were situated northwest of the historic 0.4Moz St Arnaud Goldfield and are interpreted to be the northward projection of the St Arnaud Goldfield, beneath shallow Murray Basin cover.

4.4 Review of financial position

(a) Results for the year

The net loss for the financial year, after provision for income tax, was $1,251,344 (2017: loss after tax of $702,844).

(b) Review of financial condition at the balance date

At balance date the Group held cash and cash equivalents of $1,426,684. During the year the Group decreased the cash balance by $324,252 following net proceeds from share issues of $3,061,904 and interest received of $19,266, which was used to partially meet exploration and capital cash outflows of $2,629,027 and corporate costs of $776,395.

(c) Share issues

In October 2017, Navarre raised $1,550,040 (before transaction costs) from a placement to sophisticated and institutional investors, resulting in the issue of 38,750,999 ordinary shares at an issue price of $0.04 per share.

During the financial year, Navarre raised $1,692,438 (before transaction costs) from issuing 33,848,757 fully paid ordinary shares following the exercise of unlisted options (exercise price $0.05, expiry date 31 March 2018).

In June 2018, Navarre raised $4,000 (before transactions costs) from issuing 100,000 fully paid ordinary shares following the exercise of unlisted employee share options (exercise price $0.04, expiry date 31 December 2019).

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

During the year, the Group raised $3,246,478 (before transaction costs) through capital raising initiatives, as detailed above (under the heading "Share Issues"). The purpose of the capital raisings was mainly to advance exploration in the Stawell Corridor exploration licences. The capital raisings ensured the Group could match the co-funding grant of up to $626,150 awarded to the Group by the Victorian Government in 2016 under the TARGET Minerals Exploration Initiative, and to provide the Group with flexibility to expand exploration programs at the Irvine Gold Project and at its other Victorian properties, to review new opportunities and to strengthen the Group's balance sheet and working capital.

4. OPERATING AND FINANCIAL REVIEW (cont.)

4.4 Review of financial position (cont.)

(e) Significant events after the balance date

In June 2018, Navarre's application to participate in the Federal Government's Junior Minerals Exploration Incentive (JMEI) scheme for the 2018/2019 income tax year was accepted by the Australian Taxation Office. The Company has received an allocation of up to $1,576,003 exploration credits which can be distributed to eligible shareholders, being those that are Australian resident shareholders who apply for and are issued new shares in Navarre's capital raising activities between 1 July 2018 and 30 June 2019.

In August 2018, Navarre raised $1,699,000 (before transaction costs) from a share placement to sophisticated and professional investors, resulting in the issue of 33,980,000 ordinary shares at an issue price of $0.05 per share. On 16 August 2018, Navarre also announced a Share Purchase Plan which has been offered to eligible shareholders at an issue price of $0.05 per share and is scheduled to close on 14 September 2018.

In August 2018, the Group received a cash reimbursement of $401,600 (including GST) from the Victorian Government for exploration expenditure incurred at the Irvine Gold Project, following satisfactory completion of the third (and final) agreed milestone of the TARGET Minerals Exploration Initiative co-funding agreement.

Subsequent to balance date, the Company received notification from the Victorian Department of Economic Development, Jobs, Transport and Resources (DEDJTR) of the acceptance of a revised Mineralisation Report that was submitted in support of an application for a Retention Licence (RL 006660) to replace EL 4897. The Company and earn-in partner, Catalyst Metals Limited (Catalyst), are working with DEDJTR to enable the grant of a Retention Licence. Following grant of a Retention Licence, a 51% equity interest will be formally transferred to Catalyst. A Joint Venture (JV) agreement is currently being finalised.

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 affect significantly the operations of the Group, the results of those operations, or state of affairs of the Group, in future financial years.

(f) Likely developments and expected results

During the year under review, the Group has continued its focus on the Stawell Corridor Gold Project, which includes the flagship Irvine Gold Project, while also broadening its mineral exploration activities to include programs at Glenlyle and the recently granted St Arnaud tenement.

During the course of the next financial year, the Group will continue its mineral exploration activities and will investigate additional opportunities in which the Group may wish to participate.

4.5 Business strategy and prospects for future financial years

(a) Business strategy

The Group's mission is to reward shareholders by creating value through mineral discovery. This involves maximising the potential of our assets by unlocking their potential with carefully targeted exploration programs and identifying new opportunities to compete for capital.

The Group's goal is to define a mineral resource and to become a low-cost mineral producer through exploration success. The Group undertakes an active exploration program within emerging and proven mineral corridors, with the objective of identifying economic gold and copper mineral deposits. The Group's strategy for the next twelve months is to focus its financial and managerial resources on development of its most prospective mineral opportunities within its exploration licences in the Stawell Corridor, continue exploration at the Glenlyle and St Arnaud tenements and to support the Group's partner Catalyst in advancing the Tandarra Gold Project (EL 4897 / RLA 006660). Opportunities for growth through acquisition are also being considered.

(b) Future prospects of the Group

The key driver of the Group's future prospects will be the success of its exploration programs. The discovery of an economic mineral deposit has the potential to significantly increase shareholder wealth.

4. OPERATING AND FINANCIAL REVIEW (cont.)

4.5 Business strategy and prospects for future financial years

(b) Future prospects of the Group

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

(i) exploration risk – the Group's mineral tenements are in the early stages of exploration, 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 an economic mineral deposit. Until the Group is able to realise value from its mineral tenements, it is likely to incur ongoing operating losses. 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 and of operational and business expertise at both board and management level;

(ii) land access (including native title) – there is a substantial level of regulation and restriction on the ability of exploration and mining companies to have access to land in Australia. Negotiations with both native title claimants/holders and the owners/occupiers of private land are generally required before the Group can access land for exploration or mining activities. Inability to access, or delays experienced in accessing, the land may impact on the Group's activities;

(iii) requirements for capital – as exploration costs reduce the Group's cash reserves, the Group will require additional capital to support the long term exploration and evaluation of its projects. If the Group is unable to obtain additional financing as needed, through equity, debt or joint venture financing, it may be required to scale back its exploration programs. The Group will continue to consider capital raising initiatives, as required, including possible corporate opportunities;

(iv) tenement title – the Group could lose title to its mineral tenements if insufficient funds are available to meet the relevant annual expenditure commitments, as and when they arise. The Group closely monitors its compliance with licence conditions, including expenditure commitments and rents, and maintains a dialogue with the relevant State government representatives who are responsible for enforcing licence conditions; and

(v) reliance on key personnel – the responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on the executive and non-executive Directors. There can be no assurance given that there will be no detrimental impact on the Company if one or more of the Directors, particularly the Managing Director, no longer acts as a Director.

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

Navarre Minerals is also exposed to a range of market, financial and governance risks. The Company has risk management and internal control systems to manage material business risks which include insurance coverage over major operational activities and regular review of material business risks by the Board.

5. SHARE OPTIONS

Compensation options issued during the financial year

During the financial year, the Company issued 7,250,000 share options to senior employees of the Company and 2,400,000 share options to the non-executive directors of the Company.

On 6 June 2018, 1,000,000 share options were issued to a nominee of Mr David Waterhouse of Waterhouse Investor Relations pursuant to his consultancy Services Agreement with the Company following satisfactory achievement of key performance indicators during his three month trial period.

Options expired during the financial year

On March 2018, 178,860 share options in the Company expired. 300,000 unlisted employee share options in the Company expired on 31 December 2017 and 2,625,000 unlisted employee share options in the Company expired on 1 June 2018 as a result of an employee ceasing employment with the Company.

5. SHARE OPTIONS (cont.)

Unissued shares under option

At the date of this report, there were 9,725,000 unissued ordinary shares of the Company under option. The terms of these options are as follows:

Expiry Date	Exercise Price	Number
31 December 2018	$0.100	125,000
31 December 2019	$0.040	50,000
6 June 2021	$0.150	1,000,000
31 December 2021	$0.072	200,000
31 December 2021	$0.090	200,000
29 January 2023	$0.150	2,750,000
10 April 2023	$0.150	5,400,000

These options do not entitle the holder to participate in any share issue of the Company.

Shares issued on the exercise of Options

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

Number of shares	Amount paid on each share
33,848,757	$0.05
100,000	$0.04

6. 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*.

7. 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 Committee		Remuneration & Nomination Committee	
	A	B	A	B	A	B
K Wilson	5	5	4	4	1	1
G McDermott	5	5	-	-	1	1
J Dorward	4	5	3	4	0	1
C Naylor	5	5	4	4	1	1

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

8. AUDITOR INDEPENDENCE AND NON-AUDIT SERVICES

The directors have received the independence declaration from the auditor, RSM Australia Partners, set out on page 31.

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 20 to the 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.

9. REMUNERATION REPORT (Audited)

The Remuneration Report for the year ended 30 June 2018 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.

9.1 Key Management Personnel for the year ended 30 June 2018

Directors

K Wilson	Chairman (non-executive)
G McDermott	Managing Director
J Dorward	Director (independent non-executive)
C H Naylor	Director (independent non-executive)

Executives

J Nosworthy	Company Secretary (resigned 1 June 2018)
Jodi Ford	Interim Company Secretary (appointed 1 June 2018)
S Mele	Exploration Manager

9.2 Board oversight of remuneration

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 Board established a Remuneration and Nomination ("R&N") Committee to provide the Board with a regular, structured opportunity to focus on remuneration and nomination issues. All directors of the Company, including the Managing Director, are members of the R&N Committee. Any potential for, or perception of, conflict of interest resulting from the Managing Director's membership of the R&N Committee is addressed by ensuring that the Managing Director withdraws from committee meetings during any discussion of his 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.

9.3 Non-executive director remuneration arrangements

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.

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 issued through the Navarre Minerals Limited Option Plan ("NMLOP"). Currently, the Chairman is entitled to receive a base fee of $40,000 per annum (excluding statutory superannuation) and the other non-executive directors are entitled to receive $30,000 per annum (excluding statutory superannuation).

9. REMUNERATION REPORT (Audited) (cont.)

9.3 Non-executive director remuneration arrangements (cont.)

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 board of the wholly owned subsidiary, 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.

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).

The remuneration of the Company's non-executive directors for the year ended 30 June 2018 and 30 June 2017 is detailed in Table 1 and Table 2 of this Remuneration Report.

9.4 Executive remuneration arrangements

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, in their discretion, make additional superannuation contributions by way of salary sacrifice.

The Managing Director approves the terms and conditions of consultants' contracts, including fees, taking into account market conditions for the services that are provided. Consulting contracts do not include any guaranteed fee increases.

The fixed component of executives' remuneration is detailed in Table 1 and Table 2 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 NMLOP, which is used to provide long term performance and retention incentives, as appropriate, in the form of the grant of share options over unissued shares in the Company. See page 28 for details of options granted to key management personnel during the year.

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

9. REMUNERATION REPORT (Audited) (cont.)

9.5 Executive Contractual Arrangements

Remuneration arrangements for Key Management Personnel are formalised in employment or consultancy agreements (as applicable). Details of these contracts are provided below.

- *Managing Director*

  Mr Geoff McDermott is employed by the Company on a full-time basis pursuant to an executive service agreement dated 10 December 2010, which contains the following major terms (including amendments made in March 2013, July 2015 and September 2016):-

- **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 comprises a base salary plus statutory superannuation. This is reviewed by the R&N Committee (excluding the Managing Director) on an annual basis, but there is no guarantee of any increase in fixed remuneration.

  Effective 1 July 2015, Mr McDermott's base salary was reduced to $147,562 per annum (plus superannuation of $14,018) as part of a broader program of cost reduction and cash conservation measures implemented by the Company in response to the financial constraints within which the Company was operating. In December 2016, pursuant to shareholder approval at the Company's 2016 Annual General Meeting, Mr McDermott was issued with shares in the Company in lieu of total fixed remuneration foregone in the period from 1 July 2015 to 30 June 2016.

  Mr McDermott received 1,960,480 fully paid ordinary shares at a deemed issue price of $0.05 per share in lieu of a total of $98,024 of total fixed remuneration foregone.

  It was agreed that Mr McDermott's base salary would revert to its previous level once the Company's cash balance returned to $1.5 million for more than 90 days (or sooner if the Board (excluding Mr McDermott) determined that circumstances are appropriate to do so). As a result of the Company's improved cash position following capital raising initiatives during the six-month period to 31 December 2016, Mr McDermott's base salary reverted to its previous level of $245,936 per annum (plus superannuation) with effect from 1 February 2017.

  In February 2018, following consideration by the R&N Committee (excluding Mr McDermott), the board approved the Company to make a payment of $59,752 (including superannuation) to Mr McDermott in repayment of the amount of total fixed remuneration foregone by him from 1 July 2016 to 31 January 2017, after which time his base salary reverted to its previous level.
- **Short-term incentive:** Mr McDermott is eligible to receive an annual short-term incentive payment on terms decided by the Board (excluding the Managing Director).

  The Managing Director's remuneration package for calendar year 2017 included a short-term incentive in the form of a cash payment of up to $100,000, subject to achievement of agreed KPIs. Those KPIs comprised performance measures in relation to:

  - health and safety, because the Company regards the safety of its people as a major priority; and
  - delivery of operating programs and exploration success, because these are key drivers of shareholder value.

  In February 2018, the R&N Committee (excluding the Managing Director) assessed the Managing Director's performance against his 2017 short term incentive KPIs and determined that three of four KPIs had been met (in full or in part). Accordingly, the Board (excluding the Managing Director) approved a cash payment of $47,500 to the Managing Director by way of short term incentive for calendar year 2017.

9. REMUNERATION REPORT (Audited) (cont.)

9.5 Executive Contractual Arrangements (cont.)

The Managing Director's remuneration package for calendar year 2018 includes a short-term incentive in the form of a cash payment of up to $100,000, subject to achievement of agreed KPIs. Those KPIs comprise performance measures in relation to:

- health and safety, because the Company regards the safety of its people as a major priority;
- delivery of operating programs and exploration success, because these are key drivers of shareholder value.

The Managing Director's performance against these KPIs will be assessed by the R&N Committee (excluding the Managing Director) at its first meeting in 2019.

- **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.

The Managing Director's remuneration package for calendar year 2017 included a long-term incentive in the form of a grant of up to 3,000,000 share options, subject to the achievement of agreed KPIs. The KPIs related to improvement in the Company's share price during the 2017 calendar year, relative to the prevailing share price when the KPIs were set by the Board (excluding the Managing Director) in February 2017. The Managing Director was eligible to receive 1,000,000 options if the volume weighted average price (**VWAP**) of the Company's shares in December 2017 was 7.2 cents or higher, and a further 2,000,000 options if the VWAP was 9 cents or higher. Shareholder approval for the grant of these options was obtained at the extraordinary general meeting of shareholders of the Company held on 7 April 2017. In February 2018, the R&N Committee (excluding the Managing Director) determined that none of the KPIs applicable to the Managing Director's 2017 long term incentive options had been met and, accordingly, no options were granted to the Managing Director by way of long term incentive in respect of calendar year 2017.

The Managing Director's remuneration package for calendar year 2018 includes a long-term incentive in the form of a grant of 3,000,000 share options. The options will vest in three equal tranches over a period of three years from the date of grant. The first tranche may vest at any time after the grant date, the second tranche may vest after the first anniversary of the grant date and the third tranche may vest after the second anniversary of the grant date, but in each case, vesting is conditional on the closing price of the Company's shares exceeding the 15 cent exercise price for ten consecutive trading days after the potential vesting date. The Managing Director must also be employed by the Company at the time that the options vest. The Company obtained shareholder approval for the grant of these options at the Company's extraordinary general meeting in April 2018 and the options were issued shortly after that meeting on 10 April 2018.

- **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.

- *Exploration Manager*

The Exploration Manager, Mr Shane Mele, has been engaged by the Company since 18 May 2016 pursuant to a consultancy agreement to provide services as a consultant geologist on a part-time basis. Mr Mele was subsequently appointed as Exploration Manager of the Company with effect from 22 February 2017.

Under the terms of his consultancy agreement with the Company, Mr Mele was remunerated for his services as a consultant geologist at a daily rate of $800 (plus GST) for a minimum of three days per week. Mr Mele was engaged by the Company on a consultancy basis prior to entering into an employment arrangement and becoming a full-time employee with the Company in January 2018.

9. REMUNERATION REPORT (Audited) (cont.)

9.5 Executive Contractual Arrangements (cont.)

On 8 January 2018, Mr Mele entered into an executive service agreement which contains the following major terms:-

- **Term:** From 8 January 2018 until either the Company or Mr Mele terminates the agreement.
- **Notice:** The Company may terminate the agreement at any time by giving three months' notice in writing. Mr Mele 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 Mele in lieu of part or all of any notice period.
- **Base salary:** Mr Mele's total fixed remuneration is $212,951 per annum plus statutory superannuation ($20,049). Total fixed remuneration is reviewed by the R&N Committee on an annual basis, but there is no guarantee of any increase in fixed remuneration.
- **Short-term incentive:** Mr Mele is eligible to receive an annual short-term incentive payment on terms decided by the Board.
- **Long-term incentive:** Mr Mele is eligible to participate in the Company's long-term incentive arrangements (as amended or replaced) on terms decided by the Board. Mr Mele's remuneration package for calendar year 2018 includes a long-term incentive in the form of a grant of 1,500,000 share options. The options will vest in three equal tranches over a period of three years from the date of grant. The first tranche may vest at any time after the grant date, the second tranche may vest after the first anniversary of the grant date and the third tranche may vest after the second anniversary of the grant date, but in each case, vesting is conditional on the closing price of the Company's shares exceeding the 15 cent exercise price for ten consecutive trading days after the potential vesting date. Mr Mele must also be employed by the Company at the time that the options vest.
- **Termination payments:** If Mr Mele's employment is terminated by the Company for any reason (other than in circumstances warranting summary dismissal), Mr Mele 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 (to be calculated by reference to Mr Mele's start date as a consultant geologist on 18 May 2016).

• *Company Secretary*

The Company Secretary, Ms Jane Nosworthy, was employed by the Company on a part-time basis pursuant to an executive employment agreement dated 2 April 2013, which replaced the agreement pursuant to which the Company Secretary was originally engaged by the Company. Ms Nosworthy resigned as Company Secretary with effect from 1 June 2018.

The interim Company Secretary, Ms Jodi Ford, is employed by the Company on a part-time basis pursuant to an employment agreement dated 2 May 2011. Ms Ford was appointed Company Secretary for the period 1 June 2018 to 31 July 2018. From 1 August 2018 Ms Ford assumed her role of Accountant and Assistant Company Secretary.

Subsequent to 30 June 2018, Mr Colin Naylor was appointed Company Secretary, in addition to his role as a Director of the Company. Consistent with the employment arrangements for Ms Nosworthy, Mr Naylor has been engaged on a part-time basis and entered into an executive service agreement. The Company may terminate the agreement at any time by giving three months' notice in writing. Mr Naylor 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 Naylor in lieu of part or all of any notice period.

9. REMUNERATION REPORT (Audited) (cont.)

9.5 Executive Contractual Arrangements (cont.)

- *Other executives*

All executives have standard employment agreements. The Company may terminate the executive's employment agreement by written notice (ranging from four weeks to three months' notice) or providing payment in lieu of the notice period (based on the fixed component of the executive's remuneration). The Company may terminate the agreement at any time without notice if serious misconduct has occurred. The executive may terminate the agreement by written notice to the Company (ranging from four weeks to three months' notice). On cessation of employment, any outstanding options will be forfeited.

9.6 Remuneration of Key Management Personnel of the Company

Table 1: Remuneration for the year ended 30 June 2018

	Short term			*Post Employment*	*Share-based Payment*	*Long term*	*Total*	*Performance Related*
	Directors fees *$*	*Salary/ Consulting fees* *$*	*STI cash bonus* *$*	*Super-annuation benefits* *$*	*Option plan*[1] *$*	*Long service leave* *$*	*$*	*%*
Non– executive directors								
K Wilson	40,000	7,500[2]	-	3,800	10,690	-	61,990	17.2
J Dorward	30,000	-	-	-	8,909	-	38,909[3]	22.9
C Naylor	30,000	-	-	2,850	8,909	-	41,759	21.3
Sub-total non-executive directors	**100,000**	**7,500**	**-**	**6,650**	**28,508**	**-**	**142,658**	**20.0**
Executive director								
G McDermott	-	293,676[4]	47,500	26,615	22,824	5,583	396,198	17.7
Other key management personnel								
J Nosworthy	-	74,655[5]	-	6,229	16,098	-	96,982	16.6
J Ford[6]	-	54,376[7]	-	5,166	13,798	3,736	77,076	17.9
S Mele	-	175,580[8]	-	9,651	21,499	-	206,730	10.4
Sub-total executive KMP	**-**	**598,287**	**47,500**	**47,661**	**74,219**	**9,319**	**776,986**	**15.7**
TOTAL	**100,000**	**605,787**	**47,500**	**54,311**	**102,727**	**9,319**	**919,644**	**16.3**

[1]Refer Note 19 to the consolidated financial statements for fair value calculation of options.
[2]Represents fees paid/payable for consulting services provided by entities of the director.
[3]As Mr Dorward is not an Australian resident for taxation purposes, he is not entitled to statutory superannuation.
[4]As noted in Section 9.5 above, effective 1 July 2015, Mr McDermott's total fixed remuneration was reduced as part of the implementation of a range of cost reduction measures. During the year under review the Company made a payment to Mr McDermott of $59,752 (including superannuation) in repayment of the amount of total fixed remuneration forgone by him for the FY2017.
[5] Ms Nosworthy resigned as Company Secretary with effect from 1 June 2018.
[6]Appointed as Company Secretary effective 1 June 2018 until 31 July 2018.
[7]Includes salary paid to Ms Ford by the Company during the year prior to her appointment as Company Secretary.
[8]Consists of consulting fees paid to Mr Mele for the period up to 7 January 2018 (pursuant to a consultancy agreement) and fixed remuneration from 8 January 2018 (pursuant to an executive service agreement).

9. REMUNERATION REPORT (Audited) (cont.)

9.6 Remuneration of Key Management Personnel of the Company (cont.)

Table 2: Remuneration for the year ended 30 June 2017

	Short term				*Post Employment*	*Share-based Payment*	*Long term*	*Total*	*Performance Related*
	Directors fees $	*Salary / consulting fees $*	*STI cash bonus $*	*Shares $*	*Super-annuation benefits $*	*Option plan[1] $*	*Long service leave $*	*$*	*%*
Non– executive directors									
K Wilson	40,000	-	-	-	3,800	-	-	43,800	-
J Dorward	30,000	-	-	-	-	-	-	30,000[2]	-
C Naylor	30,000	-	-	-	2,850	-	-	32,850	-
Sub-total non-executive directors	**100,000**	**-**	**-**	**-**	**6,650**	**-**	**-**	**106,650**	**-**
Executive director									
G McDermott	-	169,902	-	98,024[3]	35,000	150	13,155	316,168	-
Other key management personnel									
J Nosworthy	-	84,131	-	-	7,993	7,265	358	99,235	7.3
S Mele[4]	-	135,356[5]	-	-	-	-	-	135,356	-
Sub-total executive KMP	**-**	**389,389**	**-**	**-**	**42,993**	**7,415**	**13,513**	**550,759**	**1.3**
TOTAL	**100,000**	**389,389**	**-**	**98,024**	**49,643**	**7,415**	**13,513**	**657,409**	**1.1**

[1]Refer Note 19 to the consolidated financial statements for fair value calculation of options.
[2]As Mr Dorward is not an Australian resident for taxation purposes, he is not entitled to statutory superannuation.
[3]As noted in Section 9.5 above, effective 1 July 2015, Mr McDermott's total fixed remuneration was reduced as part of the implementation of a range of cost reduction measures. After receiving shareholder approval at the Company's 2016 Annual General Meeting, the Company issued shares to Mr McDermott, equivalent to $98,024, in lieu of total fixed remuneration forgone for the FY2016.
[4] Appointed as Exploration Manager effective 22 February 2017.
[5] Includes consulting fees paid to Mr Mele by the Company during the year prior to his appointment as Exploration Manager.

9.7 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 3: Relative proportion and components of total remuneration packages for the year ended 30 June 2018

	% of Total Remuneration		
		Performance-based remuneration	
	Fixed remuneration %	**Short Term Incentive %**	**Long Term Incentive %**
Executives			
G McDermott	82.3	12.0	5.7
J Nosworthy	83.4	-	16.6
J Ford	82.1	-	17.9
S Mele	89.6	-	10.4

9. REMUNERATION REPORT (Audited) (cont.)

9.8 Equity instruments

Table 4: Options granted, vested and lapsed during the year

	Number of options granted during 2018	Grant date	Fair value per option at grant date ($)	Exercise price per option ($)	Expiry Date	Vest Date	Number of options vested during 2018	Number of options lapsed during 2018
Directors								
K Wilson	900,000	10 Apr 18	0.048	0.150	10 Apr 23	10 Apr 18 [1]	-	-
G McDermott	1,000,000	10 Apr 18	0.048	0.150	10 Apr 23	10 Apr 18 [1]	-	-
G McDermott	1,000,000	10 Apr 18	0.050	0.150	10 Apr 23	10 Apr 19 [1]	-	-
G McDermott	1,000,000	10 Apr 18	0.054	0.150	10 Apr 23	10 Apr 20 [1]	-	-
J Dorward	750,000	10 Apr 18	0.048	0.150	10 Apr 23	10 Apr 18 [1]	-	-
C Naylor	750,000	10 Apr 18	0.048	0.150	10 Apr 23	10 Apr 18 [1]	-	-
Executives								
J Nosworthy	-	12 Mar 13	-	0.150	31 Dec 17	- [1]	-	200,000
J Nosworthy	-	31 Jan 14	-	0.100	31 Dec 18	- [1]	-	125,000
J Nosworthy	-	22 Feb 17	-	0.072	31 Dec 21	22 Feb 17 [1]	166,666	166,666
J Nosworthy	-	22 Feb 17	-	0.072	31 Dec 21	22 Feb 18 [1]	166,667	166,667
J Nosworthy	-	22 Feb 17	-	0.072	31 Dec 21	- [1]	-	166,667
J Nosworthy	-	22 Feb 17	-	0.090	31 Dec 21	22 Feb 17 [1]	166,666	166,666
J Nosworthy	-	22 Feb 17	-	0.090	31 Dec 21	- [1]	-	166,667
J Nosworthy	-	22 Feb 17	-	0.090	31 Dec 21	- [1]	-	166,667
J Nosworthy	500,000	29 Jan 18	-	0.150	29 Jan 23	29 Jan 18 [1]	-	500,000
J Nosworthy	500,000	29 Jan 18	-	0.150	29 Jan 23	29 Jan 19 [1]	-	500,000
J Nosworthy	500,000	29 Jan 18	-	0.150	29 Jan 23	29 Jan 20 [1]	-	500,000
J Ford	-	12 Mar 13	-	0.150	31 Dec 17	- [1]	-	100,000
J Ford	-	22 Feb 17	-	0.072	31 Dec 21	22 Feb 17 [1]	66,666	-
J Ford	-	22 Feb 17	-	0.072	31 Dec 21	22 Feb 18 [1]	66,667	-
J Ford	-	22 Feb 17	-	0.090	31 Dec 21	22 Feb 17 [1]	66,666	-
J Ford	166,667	29 Jan 18	0.053	0.150	29 Jan 23	29 Jan 18 [1]	-	-
J Ford	166,667	29 Jan 18	0.058	0.150	29 Jan 23	29 Jan 19 [1]	-	-
J Ford	166,666	29 Jan 18	0.062	0.150	29 Jan 23	29 Jan 20 [1]	-	-
S Mele	500,000	29 Jan 18	0.053	0.150	29 Jan 23	29 Jan 18 [1]	-	-
S Mele	500,000	29 Jan 18	0.058	0.150	29 Jan 23	29 Jan 19 [1]	-	-
S Mele	500,000	29 Jan 18	0.062	0.150	29 Jan 23	29 Jan 20 [1]	-	-

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

All options expire on the earlier of their expiry date or termination of the employee's employment. These options do not entitle the holder to participate in any share issue of the Company.

Table 5: Shares issued on exercise of options

	No. of shares	Amount paid per share ($)
J Nosworthy	100,000	0.040

9. REMUNERATION REPORT (Audited) (cont.)

9.8 Equity instruments (cont.)

Table 6: Value of 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	-	-
G McDermott	151,846	-	-
J Dorward	35,634	-	-
C Naylor	35,634	-	-
Executives			
J Nosworthy	-	874	49,910
J Ford	28,989	-	5,327
S Mele	86,967	-	-

For details on the valuation of options, including models and assumptions used, please refer to Note 19 to the consolidated financial statements.

9.9 Additional disclosures relating to shares and options

Movement in shares

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 2017	Purchases	Received on Exercise of Options	Sales	Held at 30 June 2018
Shares held in Navarre Minerals Limited (number)					
Directors					
K Wilson	12,031,598	-	1,274,487[1]	-	13,306,085
G McDermott	11,797,692	-	480,876[1]	-	12,278,568
J Dorward	8,760,599	-	945,943[1]	500,000	9,206,542
C Naylor	5,118,584	-	129,311[1]	-	5,247,895
Executives					
J Nosworthy	125,000	-	100,000[2]	-	225,000
J Ford	58,770	-	-	-	58,770
S Mele	60,435	-	-	-	60,435

[1] Issued as a result of the exercise of their options issued pursuant to participation in the Company's 2016 entitlement offer.
[2] Issued as a result of the exercise of employee share options.

9. REMUNERATION REPORT (Audited) (cont.)

9.9 Additional disclosures relating to shares and options (cont.)

Options over equity instruments

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 2017	Granted as Remuner-ation	Options Exercised	Options Lapsed	Held at 30 June 2018	Vested in 2018	Vested and exercisable at 30 June 2018
Options held in Navarre Minerals Limited (number)							
Directors							
K Wilson	1,274,487	900,000	1,274,487	-	900,000	-	-
G McDermott	580,876	3,000,000	480,876	-	3,100,000	-	-
J Dorward	945,943	750,000	945,943	-	750,000	-	-
C Naylor	129,311	750,000	129,311	-	750,000	-	-
Executives							
J Nosworthy	1,425,000	1,500,000	100,000	2,825,000	-	499,999	-
J Ford	575,000	500,000	-	100,000	975,000	199,999	249,999
S Mele	-	1,500,000	-	-	1,500,000	-	-

9.10 Company performance

The remuneration of executives and consultants is not linked to financial performance measures of the Company, with the exception of the Managing Director who has long-term incentives linked to improvements in the Company's share price over the course of the calendar year.

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

	2018	2017	2016	2015	2014
Net profit/(loss) - $000	(1,251)	(703)	(2,672)	(505)	(603)
Basic earnings/(loss) per share – cents per share	(0.47)	(0.34)	(2.78)	(0.65)	(0.94)
Share price at the beginning of year - $	0.032	0.034	0.024	0.069	0.045
Share price at end of year - $	0.059	0.032	0.034	0.024	0.069
Dividends per share – cents	Nil	Nil	Nil	Nil	Nil

10. CORPORATE GOVERNANCE STATEMENT

The Company's Corporate Governance Statement for the year ended 30 June 2018, 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 http://www.navarre.com.au/corporate-governance.

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

On behalf of the Directors

G McDermott
Managing Director
Stawell, 5 September 2018

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 2018, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

RSM

RSM AUSTRALIA PARTNERS

Philip A Ransom

P A RANSOM
Partner

Dated: 5 September 2018
Melbourne, Victoria

Navarre Minerals Limited
ABN 66 125 140 105

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2018

	Note	2018	2017
		$	$
Interest income		20,701	18,794
Income		**20,701**	**18,794**
Net administration expenses	4	(870,188)	(619,631)
Exploration expenditure written-off		(401,857)	(102,007)
Loss before income tax		**(1,251,344)**	**(702,844)**
Income tax expense	5	-	-
Net loss for the period		**(1,251,344)**	**(702,844)**
Total comprehensive loss for the period		**(1,251,344)**	**(702,844)**
Basic loss per share (cents per share)	6	(0.47)	(0.34)
Diluted loss per share (cents per share)	6	(0.47)	(0.34)

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

Navarre Minerals Limited
ABN 66 125 140 105

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2018

	Note	2018	2017
CURRENT ASSETS		$	$
Cash and cash equivalents	7	1,426,684	1,750,936
Trade and other receivables	8	549,899	252,753
TOTAL CURRENT ASSETS		1,976,583	2,003,689
NON-CURRENT ASSETS			
Other financial assets	9	120,000	60,000
Property, plant and equipment	10	30,856	45,039
Exploration and evaluation costs	11	7,493,861	5,251,405
TOTAL NON-CURRENT ASSETS		7,644,717	5,356,444
TOTAL ASSETS		**9,621,300**	**7,360,133**
CURRENT LIABILITIES			
Trade and other payables	12	610,759	355,855
Provisions	13	78,357	25,329
TOTAL CURRENT LIABILITIES		689,116	381,184
NON-CURRENT LIABILITIES			
Provisions	13	-	30,972
TOTAL NON-CURRENT LIABILITIES		-	30,972
TOTAL LIABILITIES		**689,116**	**412,156**
NET ASSETS		**8,932,184**	**6,947,977**
EQUITY			
Contributed equity	14	16,641,488	13,543,218
Share based payments reserve	14	131,005	34,012
Accumulated losses	14	(7,840,309)	(6,629,253)
TOTAL EQUITY		**8,932,184**	**6,947,977**

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

Navarre Minerals Limited
ABN 66 125 140 105

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2018

	Issued Capital $	Share Based Payments Reserve $	Accumulated Losses $	Total Equity $
Balance at 1 July 2017	**13,543,218**	**34,012**	**(6,629,253)**	**6,947,977**
Net loss for the period	-	-	(1,251,344)	(1,251,344)
Total comprehensive loss for the year	-	-	**(1,251,344)**	**(1,251,344)**
Transactions with owners in their capacity as owners:				
Cost of share based payments	-	138,155	-	138,155
Share issues	3,246,478	-	-	3,246,478
Costs of issues	(149,082)	-	-	(149,082)
Transfer of equity instruments exercised	874	(874)	-	-
Transfer of equity instruments lapsed	-	(40,288)	40,288	-
At 30 June 2018	**16,641,488**	**131,005**	**(7,840,309)**	**8,932,184**

	Issued Capital $	Share Based Payments Reserve $	Accumulated Losses $	Total Equity $
Balance at 1 July 2016	**9,860,557**	**51,670**	**(5,954,329)**	**3,957,898**
Net loss for the period	-	-	(702,844)	(702,844)
Total comprehensive loss for the year	-	-	**(702,844)**	**(702,844)**
Transactions with owners in their capacity as owners:				
Cost of share based payments	-	10,262	-	10,262
Share issues	3,953,938	-	-	3,953,938
Costs of issues	(271,277)	-	-	(271,277)
Transfer of equity instruments lapsed	-	(27,920)	27,920	-
At 30 June 2017	**13,543,218**	**34,012**	**(6,629,253)**	**6,947,977**

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

Navarre Minerals Limited
ABN 66 125 140 105

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2018

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES	**$**	**$**
Payments to suppliers and employees	(776,395)	(573,295)
Interest received	19,266	18,563
Net cash (used in) operating activities (Note 15)	**(757,129)**	**(554,732)**
CASH FLOWS FROM INVESTING ACTIVITIES		
Expenditure on plant and equipment	(24,469)	(15,990)
Expenditure on exploration tenements	(2,742,013)	(1,574,276)
Research and development tax incentive	-	131,536
TARGET Minerals Exploration Initiative – Milestone 1 and 2 grants	137,455	55,559
Net cash (used in) from investing activities	**(2,629,027)**	**(1,403,171)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from share issues	3,246,478	3,636,914
Transaction costs on issue of shares	(184,574)	(233,947)
Net cash from financing activities	**3,061,904**	**3,402,967**
Net (decrease) / increase in cash and cash equivalents	**(324,252)**	**1,445,064**
Cash and cash equivalents at beginning of period	1,750,936	305,872
Cash and cash equivalents at end of period (Note 7)	**1,426,684**	**1,750,936**

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

NOTE 1: CORPORATE INFORMATION

The financial report of Navarre Minerals Limited ("Navarre Minerals", or the "Company") for the year ended 30 June 2018 was authorised for issue in accordance with a resolution of the directors on 5 September 2018.

Navarre Minerals Limited is a company limited by shares incorporated in Australia. The Company's shares are publicly traded on Australian Stock Exchange.

The nature of operations and principal activities of the Group are described in Note 3.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

The financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board, as appropriate for for-profit orientated entities, and is presented in Australian dollars. The financial report has also been prepared on a historical cost basis.

(i) Compliance with IFRS

The financial report complies with Australian Accounting Standards issued by the Australian Accounting Standards Board and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

(ii) Early adoption of new Accounting Standards

The Group has not elected to early adopt any of the standards set out under (c) New Accounting Standards for Application in Future Periods.

(iii) Historical cost convention

The financial statements have been prepared under a historical cost convention.

(b) New Accounting Standards for Application in Future Periods

A number of new standards, amendments to standards and interpretations issued by the AASB which are not yet mandatorily applicable to the Group have not been applied in preparing these consolidated financial statements.

(c) Other Standards not yet applicable

There are no other standards that are not yet effective and that would be expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions. However, the position will be further reviewed during FY2018 – 2019.

(d) Basis of consolidation

The consolidated financial statements comprise the financial statements of Navarre Minerals Limited and its subsidiaries as at 30 June 2018 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.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

(e) Significant accounting judgements, estimates and assumptions

The carrying amounts of certain assets and liabilities are often determined based on judgements, estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value of share options is determined using either a Black Scholes or binomial option pricing model, and using the assumptions detailed in Note 19.

Exploration and evaluation costs

Exploration and evaluation costs are accumulated separately for each 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 reserves, and active and significant operations in relation to the area are continuing.

Significant judgement is required in determining whether it is likely that future economic benefits will be derived from the capitalised exploration and evaluation expenditure. In the judgement of the Directors, at 30 June 2018, exploration activities in each area of interest have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of ore reserves. Active and significant operations in relation to each area of interest are continuing and nothing has come to the attention of the Directors to indicate future economic benefits will not be achieved. The Directors are continually monitoring the areas of interest and are exploring alternatives for funding the development of areas of interest when ore reserves are confirmed. If new information becomes available that suggests the recovery of expenditure is unlikely, the amounts capitalised will need to be reassessed at that time.

(f) 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.

(h) Plant and equipment

Plant and equipment is stated at cost less accumulated depreciation and any impairment losses. Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets which range from 3 to 5 years.

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 plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the consolidated statement of comprehensive income in the period the item is derecognised.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

(i) Exploration and evaluation costs

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 costs 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 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.

Farm-outs

The Group will account for farm-out arrangements as follows:

- The Group will not record any expenditure made by the farminee on its behalf;
- The Group will not recognise a gain or loss on the farm-out arrangement but rather will redesignate any costs previously capitalised in relation to the whole interest as relating to the partial interest retained; and
- Any cash consideration to be received will be credited against costs previously capitalised in relation to the whole interest with any excess to be accounted for by the Group as gain on disposal.

(j) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the balance date which are classified as non-current assets. Loans and receivables are included in receivables in the consolidated statement of financial position.

Recognition and derecognition

Regular purchases and sales of financial assets are recognised on trade date, the date on which the Group commits to purchase or sell the asset.

Subsequent measurement

Loans and receivables are carried at amortised cost using the effective interest method.

Impairment

The Group assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired.

(k) Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use a specific asset or assets and the arrangement conveys a right to use the asset.

Leases under which the lessor retains substantially all of the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments are recognised in the consolidated statement of comprehensive income on a straight-line basis over the lease term.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

(l) 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.

(m) 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 using the projected unit credit method. 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 national government bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

(n) Share-based payment transactions

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 is determined using either a Black Scholes or binomial option pricing model. The fair value of options with non-market performance criteria is determined by reference to the Company's share price at date of 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.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

(n) Share-based payment transactions (cont.)

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 is reflected as additional share dilution in the computation of earnings per share.

(o) Contributed equity

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.

(p) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Specific recognition criteria must also to be met:

Interest income

Revenue is recognised as the interest accrues using the effective interest method.

(q) Income tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantially enacted by the reporting date.

Deferred income tax is provided on all temporary differences at balance date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences, except:

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

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be used, except:

- where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- when the deductible temporary differences is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be applied.

The carrying amount of deferred income tax assets is reviewed at each balance date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

(q) Income tax (cont.)

Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it is has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance date.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right of set off exists to set off current tax assets against current liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxable authority.

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

(r) Goods and services tax

Revenues, expenses and assets are recognised net of GST, except receivables and payables which are stated with GST included. Where GST incurred on a purchase of goods or services is not recoverable from the taxation authority, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the consolidated statement of financial position.

Cash flows are included in the consolidated statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

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

(s) Earnings per share

Basic earnings per share is calculated as net profit/(loss) attributable to members divided by the weighted average number of ordinary shares.

Diluted earnings per share is calculated as net profit/(loss) attributable to members divided by the weighted average number of ordinary shares and dilutive potential ordinary shares.

(t) Going concern

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

The Group incurred a loss of $1,251,344 and had net cash outflows from operating and investing activities of $757,129 and $2,629,027, respectively, and net cash inflows from financing activities of $3,061,904, for the year ended 30 June 2018. The Group's cash reserves have decreased from $1,750,936 as at 30 June 2017 to $1,426,684 as at 30 June 2018. The Directors believe that there are reasonable grounds to believe that the Group will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report after consideration of the following factors:

(i) During the year ended 30 June 2018, the Group raised $3,246,478 (before transaction costs) through capital raising initiatives which has led to the group having cash reserves as at 30 June 2018 of $1,426,684. In addition, as indicated in Note 22, post 30 June 2018, the Group raised $1,699,000 (before transaction costs) from issuing a total of 33,980,000 ordinary shares at an issue price of $0.05 per share through a placement to sophisticated and professional investors, and is currently undertaking a share purchase plan, which has been offered to eligible shareholders at an issue price of $0.05.

(ii) The Group will seek to raise further capital, if required, as and when necessary to meet its projected operations. The decision of how the Group will raise future capital will depend on market conditions existing at that time. It is the Group's plan that this capital will be raised by any one or a combination of the following: placement of shares, pro-rata issue to shareholders, the exercise of outstanding options, and/or a further issue of shares to the public.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

(t) Going concern (cont.)

(iii) Should the Group be unable to raise further capital, some or all of the Group's operations would be either scaled down or suspended until further capital could be raised.

(iv) Should these methods not be considered to be viable, or in the best interests of shareholders, then it would be the Group's intention to meet its obligations by either sale of all or part of the Group's interests or farm-out of the Group's exploration interests, the latter course of action being consistent with the Group's current overall strategy.

Based on the above, the Directors are of the opinion that the Group will be able to continue as a going concern and the use of the going concern basis of accounting is appropriate.

(u) Parent entity financial information

The financial information for the parent entity, Navarre Minerals Limited, disclosed in Note 21 has been prepared on the same basis as the consolidated financial statements, except as set out below.

Investments in subsidiaries

Investments in subsidiaries are accounting for at cost less accumulated impairment losses in the financial statements of Navarre Minerals Limited.

NOTE 3: SEGMENT INFORMATION

The Group's reportable segment is confined to mineral exploration only within Australia.

NOTE 4: NET ADMINISTRATION EXPENSES

	Consolidated	
	2018	**2017**
	$	**$**
Net administration expenses		
Consultants fees and expenses	16,710	5,150
Directors remuneration (non-executive)	106,650	106,650
Salaries and on-costs	942,472	524,900
Shares in lieu of salary forgone	-	98,024
Share based payments	138,155	10,262
Investor relations	167,429	117,238
Motor vehicle expenses	5,871	6,142
Audit costs	26,030	26,494
Stock exchange registry and reporting costs	62,165	49,229
Travel costs	27,893	16,949
Depreciation and amortisation	18,121	13,367
Other administration expenses	97,609	57,346
Gross administration expenses	1,609,105	1,031,751
Allocated to exploration licences	(738,917)	(412,120)
Net administration expenses	870,188	619,631

NOTE 5: INCOME TAX

	Consolidated 2018 $	Consolidated 2017 $
Statement of Comprehensive Income		
Current income tax		
Current income tax credit	303,433	207,189
Tax losses not recognised as probable	(303,433)	(207,189)
	-	-
Deferred income tax		
Relating to origination and reversal of temporary differences	603,400	512,181
Tax losses brought to account offsetting reversal of temporary differences	(603,400)	(512,181)
	-	-
Income tax expense reported in the consolidated statement of comprehensive income	-	-

Tax Reconciliation

A reconciliation between tax expense and the product of accounting loss before income tax multiplied by the Group's applicable income tax rate is as follows:

	Consolidated 2018 $	Consolidated 2017 $
Accounting loss before tax	(1,251,344)	(702,844)
At the statutory 27.5% tax rate (2017: 30%)	344,120	210,853
Share based payment expense	(37,993)	(3,079)
Non-deductible expenses	(2,694)	(585)
Tax losses not brought to account	(303,433)	(207,189)
Income tax expense reported in the consolidated statement of comprehensive income	-	-

Deferred Income Tax	Statement of Financial Position 2018 $	Statement of Financial Position 2017 $	Income Statement 2018 $	Income Statement 2017 $
Deferred income tax at 30 June relates to the following:				
CONSOLIDATED				
Deferred tax liabilities				
Interest receivable	(645)	(274)	(371)	(70)
Exploration and evaluation costs	(2,060,812)	(1,575,421)	(485,391)	(458,949)
Gross deferred income tax liabilities	(2,061,457)	(1,575,695)		
Deferred tax assets				
Accruals	13,521	6,454	7,067	(60,329)
Provisions	21,548	16,890	4,658	7,167
Share issue costs	74,601	81,383	-	-
Temporary differences not recognised as not probable	(74,601)	(81,383)	-	-
Tax losses brought to account to offset net deferred tax liability	2,026,388	1,552,351	474,037	512,181
Gross deferred income tax assets	2,061,457	1,575,695		
Net Deferred Tax Asset	-	-		
Deferred tax expense			-	-

NOTE 5: INCOME TAX (cont.)

Tax consolidation

(i) Members of the tax consolidated group

Navarre Minerals Limited and its 100% owned Australian resident subsidiary formed a tax consolidated group with effect from 2 May 2012. 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 $14,926,000 (2017: $12,966,000) 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 it is not probable that future taxable profit will be available to use against such losses.

In 2018, the Company participated in the Federal Government's Exploration Development Incentive ("EDI"), which enables eligible exploration companies to create exploration credits by giving up a portion of their tax losses from greenfields minerals expenditure and distributing these exploration credits to equity shareholders. On 10 June 2018, the Company issued exploration credits to shareholders to the value of $394,283 (being 27.5% of the Company's eligible greenfields exploration expenditure in the financial year ending 30 June 2017) based on a record date of 9 May 2018. Accordingly, the Company has given up tax losses to the value of $1,433,756 in respect of the 2017 financial year. At the record date, the total issued share capital of the Company was 294,646,251 fully paid ordinary shares, meaning that the distribution of exploration credits equated to approximately 0.1338 cents per share.

The EDI operated for a three year period (FY15 – FY17) and the Company issued exploration credits to shareholders to the value of $666,519. The value of tax losses forgone is $2,341,207. The EDI scheme was replaced with the JMEI scheme from 1 July 2017.

NOTE 6: EARNINGS/(LOSS) PER SHARE

Basic earnings/(loss) per share amounts are calculated by dividing net loss for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings/(loss) per share amounts are calculated by dividing the net loss attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

For the year ended 30 June 2018 and for the comparative period, there are no dilutive potential ordinary shares as conversion of share options and performance rights would decrease the loss per share and hence are non-dilutive.

The following data was used in the calculations of basic and diluted loss per share:

	Consolidated	
	2018	**2017**
	$	**$**
Net loss	(1,251,344)	(702,844)
	Shares	**Shares**
Weighted average number of ordinary shares used in calculation of basic loss per share	263,815,830	206,420,256

NOTE 7: CASH AND CASH EQUIVALENTS

	Consolidated 2018 $	Consolidated 2017 $
Cash at bank and in hand	1,426,684	1,750,936
	1,426,684	1,750,936

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

NOTE 8: TRADE AND OTHER RECEIVABLES

	Consolidated 2018 $	Consolidated 2017 $
TARGET Minerals Exploration Initiative – Milestone 2 grant	-	151,200
TARGET Minerals Exploration Initiative – Milestone 3 grant	401,600	-
Goods and services tax refund	135,352	95,868
Interest receivable	2,348	913
Other	10,599	4,772
	549,899	252,753

At balance date, there are no trade receivables that are past due but not 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 16.

NOTE 9: OTHER FINANCIAL ASSETS

	Consolidated 2018	Consolidated 2017
Non-current	**$**	**$**
Bank Guarantees – Exploration Permit bonds	120,000	60,000
	120,000	60,000

NOTE 10: PROPERTY, PLANT AND EQUIPMENT

	Consolidated 2018 $	Consolidated 2017 $
At cost	229,315	225,378
Accumulated depreciation	(198,459)	(180,339)
	30,856	45,039
Movement in Plant and Equipment		
Net carrying amount at beginning of year	45,039	21,884
Additions	3,938	36,522
Depreciation	(18,121)	(13,367)
Net carrying amount at end of year	30,856	45,039

The useful life of the plant and equipment is estimated for 2017 at 3 to 5 years.

NOTE 11: EXPLORATION AND EVALUATION COSTS

	Consolidated 2018	2017
	$	**$**
Balance at beginning of year	5,251,405	3,721,571
Expenditure for the year	3,009,404	1,824,855
TARGET Minerals Exploration Initiative – Milestone 1 and 2 grants	-	(193,014)
TARGET Minerals Exploration Initiative – Milestone 3 grant	(365,091)	-
Expenditure written-off during the year	(401,857)	(102,007)
	7,493,861	5,251,405

Capitalised exploration and evaluation costs at 30 June 2018 relate to Bendigo North $3,150,041 (2017: $3,132,708), Western Victoria Copper Project $283,015 (2017: $295,979), Stawell Corridor $3,640,796 (2017: $1,822,718) and St Arnaud Gold Project $420,009 (2017: $0).

NOTE 12: TRADE AND OTHER PAYABLES

	Consolidated 2018	2017
	$	**$**
Trade Creditors	610,759	355,855

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

NOTE 13: PROVISIONS

	Consolidated 2018	2017
Current	**$**	**$**
Annual leave entitlement	40,912	25,329
Long service leave entitlement	37,445	-
	78,357	25,329

	Consolidated 2018	2017
Non-current	**$**	**$**
Long service leave entitlement	-	30,972

NOTE 14: CONTRIBUTED EQUITY AND RESERVES

	Consolidated			
	2018	**2018**	**2017**	**2017**
	Shares	**$**	**Shares**	**$**
ISSUED AND PAID UP CAPITAL				
Ordinary shares	294,746,251	16,641,488	222,046,495	13,543,218
	294,746,251	16,641,488	222,046,495	13,543,218
Movements in Ordinary Shares				
Balance at beginning of year	222,046,495	13,543,218	98,346,946	9,860,557
Share Issues:				
Share placement at $0.04	38,750,999	1,550,040	-	-
Exercise of options at $0.05	33,848,757	1,692,438	395,000	19,750
Exercise of employee share options	100,000	4,000	-	-
Cost of equity instruments exercised	-	874	-	-
Share placement at $0.029	-	-	9,830,000	285,070
Entitlement offer and shortfall placement at $0.029	-	-	39,338,779	1,140,825
Share placement at $0.038	-	-	19,676,430	747,704
Shares issued to Managing Director and non-executive directors in lieu of total fixed remuneration and directors' fees forgone at deemed issue price of $0.05	-	-	6,340,480	317,024
Entitlement offer and shortfall placement at $0.03	-	-	34,785,527	1,043,565
Share placement at $0.03	-	-	13,333,333	400,000
Transaction costs	-	(149,082)	-	(271,277)
Balance at end of year	294,746,251	16,641,488	222,046,495	13,543,218

(a) Terms and Conditions of Ordinary Shares

Ordinary shares entitle their holder to receive dividends as declared. In the event of winding up the Company, ordinary shares entitle their holder to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up or which should have been paid up on shares held. Each ordinary share entitles the holder to one vote, either in person or by proxy, at a meeting of the Company. Ordinary shares issued during the year and since the end of the year, from date of issue rank equally with the ordinary shares on issue.

(b) Share Options

Employee Options

At 30 June 2018, 9,650,000 options over unissued shares granted to senior employees and non-executive directors of the Company were outstanding. The options are granted pursuant to the Navarre Minerals Limited Option Plan, details of which are set out in Note 19.

During the year, 100,000 unlisted employee share options (exercise price $0.04, expiry date 31 December 2019) were exercised.

Other Options

At 30 June 2018, 1,000,000 options over unissued shares granted to a consultant of the Company were outstanding.

During the year, a total of 33,848,757 unlisted share options (exercise price $0.05, expiry date 31 March 2018) were exercised. On 31 March 2018, 178,860 share options in the Company expired.

NOTE 14: CONTRIBUTED EQUITY AND RESERVES (cont.)

(c) Capital Management

Capital is defined as equity. When managing capital, management's objective is to ensure the entity continues as a going concern as well as to maintain optimal returns to shareholders and benefits of other stakeholders. All methods of returning funds to shareholders outside of dividend payments or raising funds are considered within the context of the Group's objectives.

The Group will seek to raise further capital, if required, as and when necessary to meet its projected operations. The decision of how the Group will raise future capital will depend on market conditions existing at that time. It is the Group's plan that this capital will be raised by any one or a combination of the following: placement of shares, pro-rata issue to shareholders, the exercise of outstanding options, and/or a further issue of shares to the public. Should these methods not be considered to be viable, or in the best interests of shareholders, then it would be the Group's intention to meet its obligations by either partial sale of the Group's interests or farm-out, the latter course of action being part of the Group's overall strategy.

The Group is not subject to any externally imposed capital requirements.

OTHER RESERVES

Share Based Payments Reserve

The share based payments reserve records the value of benefits provided as equity instruments to directors, employees and consultants under share-based payment plans (Note 19).

	Consolidated	
	2018	**2017**
	$	**$**
Balance at beginning of year	34,012	51,670
Cost of share based payments	138,155	10,262
Cost of expired equity instruments transferred to accumulated losses	(40,288)	(47,368)
Cost of exercised equity instruments transferred to issued capital	(874)	-
Balance at end of year	131,005	34,012

ACCUMULATED LOSSES

	Consolidated	
	2018	**2017**
	$	**$**
Balance at beginning of year	(6,629,253)	(5,954,329)
Net loss for the year	(1,251,344)	(702,844)
Cost of equity instruments expired	40,288	27,920
Balance at end of year	(7,840,309)	(6,629,253)

NOTE 15: STATEMENT OF CASH FLOWS RECONCILIATION

Reconciliation of net loss after tax to net cash flows used in operating activities

	Consolidated 2018 $	2017 $
Net loss	(1,251,344)	(702,844)
Adjustments for:		
Exploration expenditure written-off	401,857	102,007
Depreciation and amortisation (net of allocation to exploration licences)	1,948	882
Share based payments (net of allocation to exploration licences)	85,586	7,901
Shares in lieu of salary and directors' fees forgone (net of allocation to exploration licences)	-	252,348
Changes in assets and liabilities		
(Increase)/Decrease in trade and other receivables	(23,360)	(61,715)
(Decrease)/Increase in trade and other payables	27,933	(164,903)
Increase in provisions (net of allocation to exploration licences)	251	11,592
Net cash flows used in operating activities	(757,129)	(554,732)

NOTE 16: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise cash and short term deposits, the main purpose of which is to finance the Group's operations. The Group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations. The main risks arising from the Group's financial instruments are credit risk, interest rate risk and liquidity risk. The Board of Directors has reviewed each of those risks and has determined that they are not significant in terms of the Group's current activities.

Credit risk

The Group trades only with recognised, creditworthy third parties. Receivable balances are monitored on an ongoing basis with the results being that the Group's exposure to bad debts is not significant.

Credit risk arises from the financial assets of the Group, which comprise cash and cash equivalents and trade and other receivables. The Group's exposure to credit risk arises from potential default of the counter party, with a maximum exposure equal to the carrying amount of these instruments. No collateral is held as security. Exposure at balance date is the carrying value as disclosed in each applicable note.

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.

There is no impact on equity other than the above net profit sensitivities on retained earnings/accumulated losses.

Liquidity Risk

The Group's exposure to financial obligations relating to corporate administration and projects expenditure, are subject to budgeting and reporting controls, to ensure that such obligations do not exceed cash held and known cash inflows for a period of at least 1 year.

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has built in an appropriate liquidity risk framework for the management of the Group's short, medium and longer term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate equity funding through the monitoring of future cash flow forecasts of its operations, which reflect management's expectations of the settlement of financial assets and liabilities.

NOTE 16: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont.)

The Group has limited financial resources and will need to raise additional capital from time to time as such fund raisings will be subject to factors beyond the control of the Group and its directors. When Navarre requires further funding for its programs, then it is the Group's intention that the additional funds will be raised by any one or a combination of the following: placement of shares, pro-rata issue to shareholders, the exercise of outstanding options, and/or a further issue of shares to the public. Should these methods not be considered to be viable, or in the best interests of shareholders, then it would be the Group's intention to meet its obligations by either partial sale of the Group's interests or farm-out, the latter course of action being part of the Group's overall strategy.

Maturity Analysis

At balance date, the Group holds $610,759 of financial liabilities consisting of trade and other payables. All financial liabilities will mature within 12 months.

Fair Values

The aggregate net fair values of the financial assets and liabilities are the same as the carrying values in the consolidated statement of financial position.

NOTE 17: COMMITMENTS AND CONTINGENCIES

(a) Commitments

	2018 $	2017 $
Operating Lease		
Future minimum rentals payable under operating lease for office premises at balance date:		
Payable not later than one year	2,390	2,390
	2,390	2,390

	2018 $	2017 $
Exploration Commitments – Exploration Permits		
Estimated cost of minimum work requirements contracted for under exploration permit is estimated at balance date:		
Payable not later than one year	466,850	303,300
Payable later than one year but not later than five years	1,230,900	521,600
	1,697,750	824,900

Exploration commitments at 30 June 2018 relate to, Western Victoria Copper Project (excluding Stavely, see below for details) $336,800 (2017: $539,700), Stawell Corridor $869,850 (2017: $285,200) and St Arnaud Gold Project $491,100 (2017: $0).

Exploration commitments for the Tandarra Gold Project (EL 4897) during the reporting period were met by Catalyst under a farm-out agreement, pursuant to which Catalyst may earn a 51% interest in the Tandarra Gold Project. In December 2017, an application was lodged with the Victorian Department of Economic Development, Jobs, Transport and Resources (DEDJTR) for a Retention Licence (RL006660) to replace EL 4897 and a Mineralisation Report and programme of works was also lodged in support of the Retention Licence application. Prior to 30 June 2018, DEDJTR sought revisions to the Mineralisation Report which were actioned by Catalyst. Subsequent to balance date, the Company received notification from DEDJTR of the acceptance of the Mineralisation Report. The Company and Catalyst are working with DEDJTR to enable the grant of a Retention Licence. A Joint Venture (JV) agreement is currently being finalised, and under this JV agreement, the Company will be obligated to pay 49% of an exploration programme yet to be proposed/approved. The amount of this commitment is currently unknown.

Responsibility for exploration commitments for Stavely (EL 5425) during the reporting period was assumed by Stavely Minerals Limited (Stavely Minerals) under an earn-in, pursuant to which Stavely Minerals may earn up to 80% interest in EL 5425. Navarre is not obligated to contribute to EL 5425 during the earn-in period.

NOTE 17: COMMITMENTS AND CONTINGENCIES (cont.)

(a) Commitments (cont.)

The Company currently has two exploration licence applications in process. If these licences are granted, there will be a minimum expenditure commitment applicable to the tenements. The amount of this commitment is currently unknown.

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.

NOTE 18: RELATED PARTY DISCLOSURES

Subsidiaries

The consolidated financial statements include the financial statements of Navarre Minerals Limited and the following subsidiary:

	Country of Incorporation	% Entity Interest 2018 %	% Entity Interest 2017 %
Black Range Metals Pty Ltd	Australia	100	100

Compensation of key management personnel by category:

	Consolidated 2018 $	Consolidated 2017 $
Short term employee benefits	753,287	587,413
Post-employment benefits	54,311	49,643
Share-based payments	102,727	6,840
Long service leave expense	9,319	13,513
	919,644	657,409

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

During the year, fees for consulting services were paid by the Group to entities controlled by directors as follows:

Director	Consulting Fees Paid 2018 $	Outstanding at Balance Date 2018 $
K Wilson	7,500	-

NOTE 19: SHARE BASED PAYMENT PLANS

Navarre Minerals Limited Option Plan

Share options may be granted to senior employees and non-executive directors under the Navarre Minerals Limited Option Plan. There were 9,650,000 options granted to senior employees and non-executive directors during the financial year (2017: 1,400,000 options).

Other options

There were 1,000,000 options granted to a consultant of the Company during the financial year (2017: 0 options).

NOTE 19: SHARE BASED PAYMENT PLANS (cont.)

Movements in share options on issue during the year:

	2018 Options	2017 Options
Outstanding at the beginning of the year	2,100,000	850,000
Granted during the year	10,650,000	1,400,000
Lapsed during the year	(2,925,000)	(150,000)
Exercised during the year	(100,000)	-
	9,725,000	2,100,000

- On 12 March 2013, 400,000 share options were granted to senior employees of the Company. The options are exercisable at a price of 15 cents per option on or before 31 December 2017. The options vest in three tranches, when the Company's closing share price exceeds the exercise price of the options for ten consecutive trading days after the relevant vesting date (being 1 January 2014 for the first tranche, 1 January 2015 for the second tranche and 1 January 2016 for the third tranche).

  During FY2018, 300,000 options lapsed (FY2015: 100,000 options lapsed).

- On 31 January 2014, 175,000 share options were granted to senior employees of the Company. The options are exercisable at a price of 10 cents per option on or before 31 December 2018. The options vest in three tranches, when the Company's closing share price exceeds the exercise price of the options for ten consecutive trading days after the relevant vesting date (being 1 January 2015 for the first tranche, 1 January 2016 for the second tranche and 1 January 2017 for the third tranche).

  During FY2018, 125,000 options lapsed (FY2015: 25,000 options lapsed).

  The fair value of the options at date of grant is estimated to be 4.96 cents for the first tranche, 5.34 cents for the second tranche and 5.64 cents for the third tranche. The fair value was determined using a Binomial pricing model, considering the terms and conditions upon which the options were granted, and using the following inputs to the model:

Expected volatility	84%	Contractual life	5 years
Risk-free interest rate	3.080%	Dividend yield	0%

  The total amount expensed in the year relating to these share options was $0 (2017: $483).

  The effects of early exercise have been incorporated into the calculations by using an expected life for the option that is shorter than the contractual life based on historical exercise behaviour, which is not necessarily indicative of exercise patterns that may occur in the future.

- On 16 February 2015, 200,000 share options were granted to senior employees of the Company. The options are exercisable at a price of 10 cents per option on or before 31 December 2018. The options vest in three tranches, when the Company's closing share price exceeds the exercise price of the options for ten consecutive trading days after the relevant vesting date (being 16 February 2015 for the first tranche, 1 January 2016 for the second tranche and 1 January 2017 for the third tranche).

  During FY2016, 100,000 options lapsed.

  The fair value of the options at date of grant is estimated to be 0.29 cents for the first tranche, 0.55 cents for the second tranche and 0.75 cents for the third tranche. The fair value was determined using a Binomial pricing model, considering the terms and conditions upon which the options were granted, and using the following inputs to the model:

Expected volatility	70%	Contractual life	4 years
Risk-free interest rate	2.68%	Dividend yield	0%

  The total amount expensed in the year relating to these share options was $174 (2017: $150).

  The effects of early exercise have been incorporated into the calculations by using an expected life for the option that is shorter than the contractual life based on historical exercise behaviour, which is not necessarily indicative of exercise patterns that may occur in the future.

NOTE 19: SHARE BASED PAYMENT PLANS (cont.)

- On 23 June 2015, 150,000 share options were granted to senior employees of the Company. The options are exercisable at a price of 4 cents per option on or before 31 December 2019. The options vest when the Company's closing share price exceeds the exercise price of the options for ten consecutive trading days after vesting date (being 1 January 2016).

  During FY2018, 100,000 options were exercised.

  The fair value of the options at date of grant is estimated to be 0.87 cents. The fair value was determined using a Binomial pricing model, considering the terms and conditions upon which the options were granted, and using the following inputs to the model:

Expected volatility	70%	Contractual life	5 years
Risk-free interest rate	2.68%	Dividend yield	0%

  The total amount expensed in the year relating to these share options was $656 (2017: $328).

  The effects of early exercise have been incorporated into the calculations by using an expected life for the option that is shorter than the contractual life based on historical exercise behaviour, which is not necessarily indicative of exercise patterns that may occur in the future.

- On 22 February 2017, 1,400,000 share options were granted to senior employees of the Company.

  700,000 of these options are exercisable at a price of 7.2 cents per option on or before 31 December 2021. These options will vest in three tranches, when the Company's closing share price exceeds the exercise price of the options for ten consecutive trading days after the relevant vesting date (being 22 February 2017 for the first tranche, 22 February 2018 for the second tranche and 22 February 2019 for the third tranche).

  During FY2018, 500,000 options lapsed.

  The fair value of the options at date of grant is estimated to be 3.33 cents. The fair value was determined using a Binomial pricing model, considering the terms and conditions upon which the options were granted, and using the following inputs to the model:

Expected volatility	102%	Contractual life	5 years
Risk-free interest rate	2.29%	Dividend yield	0%

  The other 700,000 options are exercisable at a price of 9 cents per option on or before 31 December 2021. These options will vest in three tranches, when the Company's closing share price exceeds the exercise price of the options for ten consecutive trading days after the relevant vesting date (being 22 February 2017 for the first tranche, 22 February 2018 for the second tranche and 22 February 2019 for the third tranche).

  During FY2018, 500,000 options lapsed.

  The fair value of the options at date of grant is estimated to be 3.19 cents. The fair value was determined using a Binomial pricing model, considering the terms and conditions upon which the options were granted, and using the following inputs to the model:

Expected volatility	102%	Contractual life	5 years
Risk-free interest rate	2.29%	Dividend yield	0%

  The total amount expensed in the year relating to these share options was $22,075 (2017: $9,301).

  The effects of early exercise have been incorporated into the calculations by using an expected life for the option that is shorter than the contractual life based on historical exercise behaviour, which is not necessarily indicative of exercise patterns that may occur in the future.

NOTE 19: SHARE BASED PAYMENT PLANS (cont.)

- On 29 January 2018, 4,250,000 share options were granted to senior employees of the Company. The options are exercisable at a price of 15 cents per option on or before 29 January 2023. These options will vest in three tranches, when the Company's closing share price exceeds the exercise price of the options for ten consecutive trading days after the relevant vesting date (being 29 January 2018 for the first tranche, 29 January 2019 for the second tranche and 29 January 2020 for the third tranche).

  During FY2018, 1,500,000 options lapsed.

  The fair value of the options at date of grant is estimated to be 5.33 cents for the first tranche, 5.83 cents for the second tranche and 6.24 cents for the third tranche. The fair value was determined using a Binomial pricing model, considering the terms and conditions upon which the options were granted, and using the following inputs to the model:

Expected volatility	102%	Contractual life	5 years
Risk-free interest rate	2.49%	Dividend yield	0%

  The total amount expensed in the year relating to these share options was $39,415.

  The effects of early exercise have been incorporated into the calculations by using an expected life for the option that is shorter than the contractual life based on historical exercise behaviour, which is not necessarily indicative of exercise patterns that may occur in the future.

- On 10 April 2018, 2,400,000 share options were granted to non-executive directors of the Company. The options are exercisable at a price of 15 cents per option on or before 10 April 2023. The options vest when the Company's closing share price exceeds the exercise price of the options for ten consecutive trading days after vesting date (being 10 April 2018).

  The fair value of the options at date of grant is estimated to be 4.75 cents. The fair value was determined using a Binomial pricing model, considering the terms and conditions upon which the options were granted, and using the following inputs to the model:

Expected volatility	102%	Contractual life	5 years
Risk-free interest rate	2.49%	Dividend yield	0%

  The total amount expensed in the year relating to these share options was $28,507.

  The effects of early exercise have been incorporated into the calculations by using an expected life for the option that is shorter than the contractual life based on historical exercise behaviour, which is not necessarily indicative of exercise patterns that may occur in the future.

- On 10 April 2018, 3,000,000 share options were granted to the Managing Director of the Company. The options are exercisable at a price of 15 cents per option on or before 10 April 2023. These options will vest in three tranches, when the Company's closing share price exceeds the exercise price of the options for ten consecutive trading days after the relevant vesting date (being 10 April 2018 for the first tranche, 10 April 2019 for the second tranche and 10 April 2020 for the third tranche).

  The fair value of the options at date of grant is estimated to be 4.75 cents for the first tranche, 4.99 cents for the second tranche and 5.45 cents for the third tranche. The fair value was determined using a Binomial pricing model, considering the terms and conditions upon which the options were granted, and using the following inputs to the model:

Expected volatility	102%	Contractual life	5 years
Risk-free interest rate	2.45%	Dividend yield	0%

  The total amount expensed in the year relating to these share options was $22,650.

  The effects of early exercise have been incorporated into the calculations by using an expected life for the option that is shorter than the contractual life based on historical exercise behaviour, which is not necessarily indicative of exercise patterns that may occur in the future.

NOTE 19: SHARE BASED PAYMENT PLANS (cont.)

- On 6 June 2018, 1,000,000 share options were granted to a consultant of the Company. The options are exercisable at a price of 15 cents per option on or before 6 June 2021. These options vested on 6 June 2018.

  The fair value of the options at date of grant is estimated to be 2.92 cents. The fair value was determined using a Binomial pricing model, considering the terms and conditions upon which the options were granted, and using the following inputs to the model:

Expected volatility	102%	Contractual life	5 years
Risk-free interest rate	2.49%	Dividend yield	0%

  The total amount expensed in the year relating to these share options was $29,208.

  The effects of early exercise have been incorporated into the calculations by using an expected life for the option that is shorter than the contractual life based on historical exercise behaviour, which is not necessarily indicative of exercise patterns that may occur in the future.

NOTE 20: AUDITOR'S REMUNERATION

	Consolidated 2018 $	2017 $
Amounts received or due and receivable by RSM Australia Partners for:		
Audit or review of the financial reports	26,030	26,090
Other audit services	7,750	-
Tax services in relation to the entity	-	1,000
	33,780	27,090

NOTE 21: PARENT ENTITY INFORMATION

	2018 $	2017 $
Information relating to Navarre Minerals Limited		
Current assets	2,551,891	2,342,344
Total assets	**9,935,333**	**7,673,589**
Current liabilities	689,116	381,184
Total liabilities	**689,116**	**412,156**
Issued capital	16,641,488	13,543,218
Share based payment reserve	131,005	34,012
Accumulated losses	(7,526,276)	(6,316,046)
Total shareholders' equity	**9,246,217**	**7,261,433**
(Loss) of the parent entity	(1,250,767)	(606,633)
Total comprehensive (loss) of the parent entity	(1,250,767)	(606,633)
Details of any guarantees entered into by the parent entity in relation to the debts of its subsidiaries	n/a	n/a
Details of any contingent liabilities of the parent entity	n/a	n/a
Details of any contractual commitments by the parent entity for the acquisition of property, plant or equipment	n/a	n/a

NOTE 22: EVENTS SUBSEQUENT TO BALANCE DATE

In June 2018, Navarre's application to participate in the Federal Government's Junior Minerals Exploration Incentive (JMEI) scheme for the 2018/2019 income tax year was accepted by the Australian Taxation Office. The Company has received an allocation of up to $1,576,003 exploration credits which can be distributed to eligible shareholders, being those that are Australian resident shareholders who apply for and are issued new shares in Navarre's capital raising activities between 1 July 2018 and 30 June 2019.

In August 2018, Navarre raised $1,699,000 (before transaction costs) from a share placement to sophisticated and professional investors, resulting in the issue of 33,980,000 ordinary shares at an issue price of $0.05 per share. On 16 August 2018, Navarre also announced a Share Purchase Plan which has been offered to eligible shareholders at an issue price of $0.05 per share and is scheduled to close on 14 September 2018.

In August 2018, the Group received a cash reimbursement of $401,600 (including GST) from the Victorian Government for exploration expenditure incurred at the Irvine Gold Project, following satisfactory completion of the third (and final) agreed milestone of the TARGET Minerals Exploration Initiative co-funding agreement.

Subsequent to balance date, the Company received notification from the Victorian Department of Economic Development, Jobs, Transport and Resources (DEDJTR) of the acceptance of a revised Mineralisation Report that was submitted in support of an application for a Retention Licence (RL 006660) to replace EL 4897. The Company and earn-in partner, Catalyst Metals Limited (Catalyst), are working with DEDJTR to enable the grant of a Retention Licence. Following grant of a Retention Licence, a 51% equity interest will be formally transferred to Catalyst. A Joint Venture (JV) agreement is currently being finalised.

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 affect significantly the operations of the Group, the results of those operations, or state of affairs of the Group, in future financial years.

Navarre Minerals Limited

ABN 66 125 140 105

DIRECTORS' DECLARATION

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

In the opinion of the Directors:

(a) The financial statements and notes of Navarre Minerals Limited for the financial year ending 30 June 2018 are in accordance with the *Corporations Act* 2001, including:

  (i) Giving a true and fair view of the Company's and the consolidated entity's financial position as at 30 June 2018.

  (ii) Complying with Accounting Standards (including the Australian Accounting Interpretations) and *Corporations Regulations* 2001.

(b) The financial statements and notes also comply with International Financial Reporting Standards as disclosed in Note 2(a)(i).

(c) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration has been made after receiving the declarations required to be made to the Directors in accordance with Section 295A of the *Corporations Act 2001* for the financial year ended 30 June 2018.

On behalf of the Board

G McDermott
Managing Director
Stawell, 5 September 2018

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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 subsidiary (the Group), which comprises the consolidated statement of financial position as at 30 June 2018, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated 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 Group is in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the Group's financial position as at 30 June 2018 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 Group 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 2(t) to the financial report which indicates that the consolidated entity incurred a loss of $1,251,344 for the financial year ended 30 June 2018 (2017: loss of $702,844). The consolidated entity reported operating net cash outflows for the financial year ended 30 June 2018 of $757,129 (2017: $554,732). These conditions, along with other matters as set forth in Note 2(t), indicate the existence of a material uncertainty which may cast significant doubt about 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 Matters (Continued.)

<table>
<tr><th>Key Audit Matter</th><th>How our audit addressed this matter</th></tr>
<tr><td colspan="2">Carrying Value of Capitalised Exploration Expenditure
Refer to Note 11 in the financial statements</td></tr>
<tr><td>The Group has capitalised exploration and evaluation expenditure, with a carrying value of $7,493,861 as at 30 June 2018.

Under AASB 6 Exploration for and Evaluation of Mineral Resources, the Group is required to test the exploration and evaluation asset for impairment when facts and circumstances suggest that the carrying amount may exceed the recoverable amount. We determined this to be a Key Audit Matter due to the significant management judgment involved in assessing the carrying value of the asset</td><td>Our audit procedures in relation to the carrying value of exploration and evaluation expenditure included:
obtaining evidence that the Group has valid rights to explore in the specific areas of interest;
enquiring with management and reviewing the basis on which they have determined that the exploration and evaluation of mineral resources has not yet reached the stage where it can be concluded that no commercially viable quantities of mineral resources exists;
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 whether management has received sufficient data to conclude that the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale; and
reviewing minutes of director meetings and Australian Securities and Investments Commission announcements to ensure that the Group has not resolved to discontinue activities in the specific area of interest.</td></tr>
</table>

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2018 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 Group 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 Group 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: http://www.auasb.gov.au/auditors_responsibilities/ar2.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 the directors' report for the year ended 30 June 2018.

In our opinion, the Remuneration Report of Navarre Minerals Limited for the year ended 30 June 2018, 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.

RSM

RSM AUSTRALIA PARTNERS

Philip A Ransom

P A RANSOM
Partner

Dated: 5 September 2018
Melbourne, Victoria

ADDITIONAL SHAREHOLDER INFORMATION

The information set out below was compiled as at 3 September 2018.

1. Listing Information

The Company is listed, and all of the Company's issued shares are quoted on, the Australian Securities Exchange (ASX).

2. Distribution of Equity Securities

(i) **Ordinary share capital**

328,726,251 fully paid ordinary shares are held by 1,668 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**

9,725,000 unquoted options are held by 8 individual option holders.

There are no voting rights attached to these options.

(iii) **Analysis of number of shareholders by size of holding**

Ranges	Holders	Total Units	% IC
1 – 1000	99	7,011	0.002
1,001 – 5,000	76	278,043	0.085
5,001 – 10,000	228	1,910,191	0.581
10,001 – 100,000	889	35,372,278	10.760
>100,001	376	291,158,728	88.572
Totals	**1,668**	**328,726,251**	**100.000**

315 holders holding a total of 1,316,132 shares held less than a marketable parcel of ordinary shares.

3. 20 Largest Shareholders

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

Shareholder	Number of shares	% Issued capital
Crocodile Gold Australia Pty Ltd	34,829,145	10.595%
VBS Exchange Pty Ltd	34,821,551	10.593%
Holdings associated with Kevin Wilson	13,306,085	4.048%
Holdings associated with Geoff McDermott	12,278,568	3.735%
Tattersfield Securities Pty Ltd	12,130,000	3.690%
Holdings associated with John Dorward	9,206,542	2.801%
Mr Stuart Baden Boyce & Mrs Mary Ellen Boyce <Boyce Super Fund A/C>	6,140,000	1.868%
Chalice Gold Mines Limited	6,000,000	1.825%
Holdings associated with Colin Naylor	5,247,895	1.596%
Wythenshawe Pty Ltd <Minjar A/C>	5,000,000	1.521%
Sacrosanct Pty Ltd	4,541,339	1.381%
Mad Fish Management	3,644,000	1.109%
ESM Limited	3,700,000	1.126%
Auralandia Pty Ltd	3,500,000	1.065%
Yavern Creek Holdings Pty Ltd	3,040,000	0.925%
Spruzen Corporation Pty Ltd	2,700,000	0.821%
Mr Ashley Forster	2,619,921	0.797%
Dr Stephen Garth Nordstrom	2,200,000	0.669%
Mr Ralph Douglas Russell & Ms Ann Maree Hynes	2,159,915	0.657%
Valleytech Instrumentation Pty Ltd	2,100,000	0.639%
	169,164,961	**51.461%**

ADDITIONAL SHAREHOLDER INFORMATION

4. Substantial Shareholders

The substantial holders were as follows:

Shareholder	No of shares	% Issued Capital
Crocodile Gold Australia Pty Ltd	34,829,145	10.595%
VBS Exchange Pty Ltd	34,821,551	10.593%

TENEMENT INFORMATION (as at 3 September 2018)

Project	Tenement Details[1 2]	Group Interest
Bendigo North		
Tandarra[3]	EL 4897	100%
	RLA 006660[3]	0%
Western Victoria Copper Project		
Black Range	EL 4590	100%
Stavely[4]	EL 5425	100%
Glenlyle	EL 5497	100%
Stawell Corridor		
Ararat	EL 5476	100%
Tatyoon	EL 5480	100%
Stawell Granite	EL 006418	100%
Long Gully	EL 006525	100%
Westgate	EL 006526	100%
Hospital Hill	EL 006527	100%
Napoleon	EL 006528	100%
Snake Hill	ELA 006530	0%
Langi Logan	EL 006702	100%
Cathcart	EL 006703	100%
Langi Logan West	EL 006745	100%
St Arnaud		
St Arnaud	EL 006556	100%
Lord Nelson	ELA 006819	0%

Notes [1] EL = Exploration Licence; ELA = Exploration Licence Application; RLA = Retention Licence Application.
[2] All tenements are located in Victoria.
[3] Catalyst Metals Ltd is entitled to earn a 51% interest under a farm-out agreement with Navarre. In addition to its ownership of the Tandarra licence in the Bendigo North area, Navarre is 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). Upon grant, RLA 006660 will replace the existing EL 4897 (see Note 22 for more information).
[4] Stavely Minerals Limited is entitled to earn an 80% interest under an earn-in and joint venture agreement with Navarre.