



NAVARRE MINERALS LIMITED

ABN 66 125 140 105

Annual Report 2020

Navarre Minerals Limited

ABN 66 125 140 105

Corporate Directory

Company

Navarre Minerals Limited
(ABN 66 125 140 105)
and subsidiaries:
Black Range Metals Pty Ltd
(ABN 31 158 123 687)
Loddon Gold Pty Ltd
(ABN 80 640 282 882)
North Central Gold Exploration Pty Ltd
(ABN 59 640 554 516)
Tandarra Gold Pty Ltd
(ABN 63 640 554 534)
Western Victoria Gold Pty Ltd
(ABN 37 641 639 018)

Directors

Kevin Wilson (Chairman)
Geoff McDermott (Joint Managing Director)
Ian Holland (Joint Managing Director)
Colin Naylor

Company Secretary

Colin Naylor

Registered Office & Principal Operations Office

40-44 Wimmera Street
PO Box 385
Stawell Victoria 3380 Australia

Telephone +61 (3) 5358 8625
Email info@navarre.com.au
Website www.navarre.com.au

Share Registrar

Boardroom Pty Limited
Level 7, 411 Collins Street
Melbourne Victoria 3000 Australia
Telephone +61 (2) 9290 9600
Facsimile +61 (3) 9279 0664

Auditor

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

Stock Exchange Listing

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

Incorporated 30 April 2007
Victoria, Australia

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FORWARD LOOKING STATEMENTS

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

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

Navarre Minerals Limited

ABN 66 125 140 105

CHAIRMAN'S LETTER

Dear Fellow Shareholder,

It is my pleasure to present the Navarre Minerals Limited Annual Report for the year ended 30 June 2020.

During the year the company benefited from three key positive themes.

Globally, the gold price has been on a strong run and has enjoyed record levels, particularly in Australian dollar terms. This has spurred investor interest which has focused especially on the high prospectivity of Victoria's historic goldfields. Global investors have warmed to the gold story and are supporting exploration with an enthusiasm not seen for more than a decade.

Despite these positive developments we were also impacted by the COVID-19 pandemic from early 2020. We rapidly adjusted our drilling programs to accommodate the safety measures required and, as a result, the virus slowed our program for a few months – but with limited net impact.

Against this backdrop, the Company is advancing its key exploration projects at Irvine, near Stawell and at Tandarra, near Bendigo. These projects will continue to be our focus over the next twelve months. We will also conduct early stage exploration at the historical Jubilee Gold Mine and around the historical gold workings at St Arnaud, where we have recently consolidated a substantial land position.

At our flagship Stawell Corridor Gold Project, drilling is starting to demonstrate the potential of the Resolution Lode where we aim to deliver a maiden resource in the coming year. Resolution, on the Irvine basalt dome, is just one target of many on this extensive goldfield. We will continue to work on others in parallel, with a goal of delivering several potential advanced prospects within commercial distance of the nearby Stawell processing facility.

Then there's the Tandarra Gold Project, our joint venture managed by 51 per cent partner Catalyst Metals Limited. Drilling during the year delivered more excellent results – grades of up to 95 grams a tonne – in an area assessed by the Victorian government as potentially having more than 32 million ounces of undiscovered gold.

On the management front, post balance date we announced that Mr Geoff McDermott will transition from the managing director role, in favour of Mr Ian Holland.

For over a decade, Geoff has led the Company from its formation and through its 2011 ASX listing to become one of Victoria's most active mineral explorers.

He leaves Navarre well-funded and with an exceptional suite of exploration projects. Ian, who led the revival of the nearby Fosterville Gold Mine to become one of the world's greatest gold mines, will take over from Geoff in calendar year 2021.

It's a credit to the work of Geoff and his team that we have been able to attract such talent and we look forward to Ian leading us in the next phase of the Company's growth.

Finally, on behalf of the Board I would like to acknowledge the dedication and commitment of our first-class management team. I also thank our staff, shareholders, the communities in which we operate and other stakeholders for their ongoing support.



Kevin Wilson
Chairman

15 September 2020

Navarre Minerals Limited

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MANAGING DIRECTOR'S REVIEW OF OPERATIONS

I am pleased to present my last Review of Operations as Navarre's Managing Director. It has been a solid year of progress on a number of fronts for Navarre as it pursues its aggressive exploration programs across key tenements at a time of rising gold price and heightened investor interest in Victorian gold.

Navarre maintained an active exploration program during the year with the objectives of identifying economic gold and copper mineral deposits. These efforts included safely completing more than 35,000 metres of air-core (AC), reverse circulation (RC) and diamond drilling across our premier Victorian projects.

Our activities remained focused on our mainstay Stawell Corridor Gold Project, on which we completed over 5,500 metres of diamond drilling, where we are targeting a maiden mineral resource for delivery in the first quarter of 2021.

In other highlights, the company continued to advance the Tandarra Gold Project, in joint venture with Catalyst Metals Limited (ASX:CYL).

In June 2020, we expanded our gold portfolio with a strategic acquisition of the Jubilee Gold Project, 25km southwest of Ballarat (Figure 1). The project captures the historical Jubilee Gold Mine which produced approximately 130,000 ounces of gold at a recovered grade of 12 g/t¹ and has not been subject to drilling since mine closure in 1913.

The second half of the year posed the challenge of the COVID-19 pandemic. I am pleased to report our operations have been minimally affected to date, although some exploration activity has slowed as a result. Most importantly, we took all appropriate precautions to protect our staff, contractors and the communities in which we operate, and are grateful for their support in these difficult circumstances.

Post balance date, we were awarded priority status for a tenement that will consolidate our tenure over the highly prospective St Arnaud Gold Project. We have also applied for two adjoining acreages, which will expand the project's scope and prospectivity.

Following an \$8 million capital raising in July 2020, Navarre has started the 2020-21 year in sound shape.

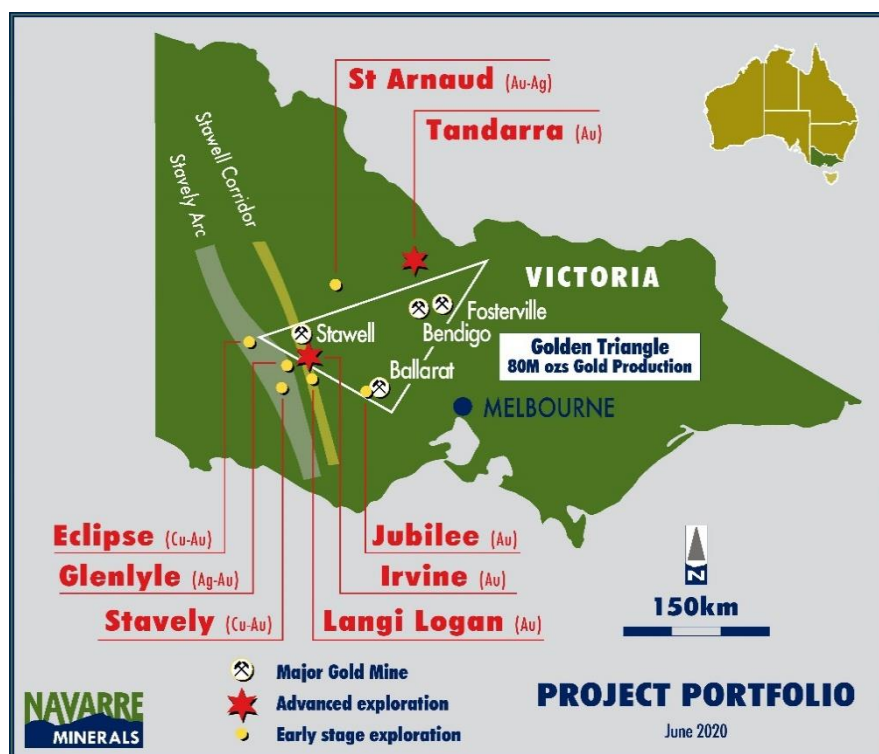


Figure 1: Location of Navarre's Victorian projects

¹ Source: W. Baragwanath. 1914: Geol. Survey of Vic. Bulletin No.35 – The Jubilee Mines, Scarsdale.

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MANAGING DIRECTOR'S REVIEW OF OPERATIONS (cont.)

STAWELL CORRIDOR GOLD PROJECT (ELs 5476, 5480, 6525, 6526, 6527, 6528, 6702, 6745, 7125 & ELAs 6530 & 6843) (Navarre 100%)

The Group has a dominant land position along 70km of strike of the prospective Stawell Gold Corridor, south on-strike of the five million-ounce Stawell Goldfield (Figures 1 & 2). The Group's 100%-owned Stawell Corridor Gold Project contains seven potential Stawell Magdala gold deposit analogues that the Group is systematically exploring from north to south.

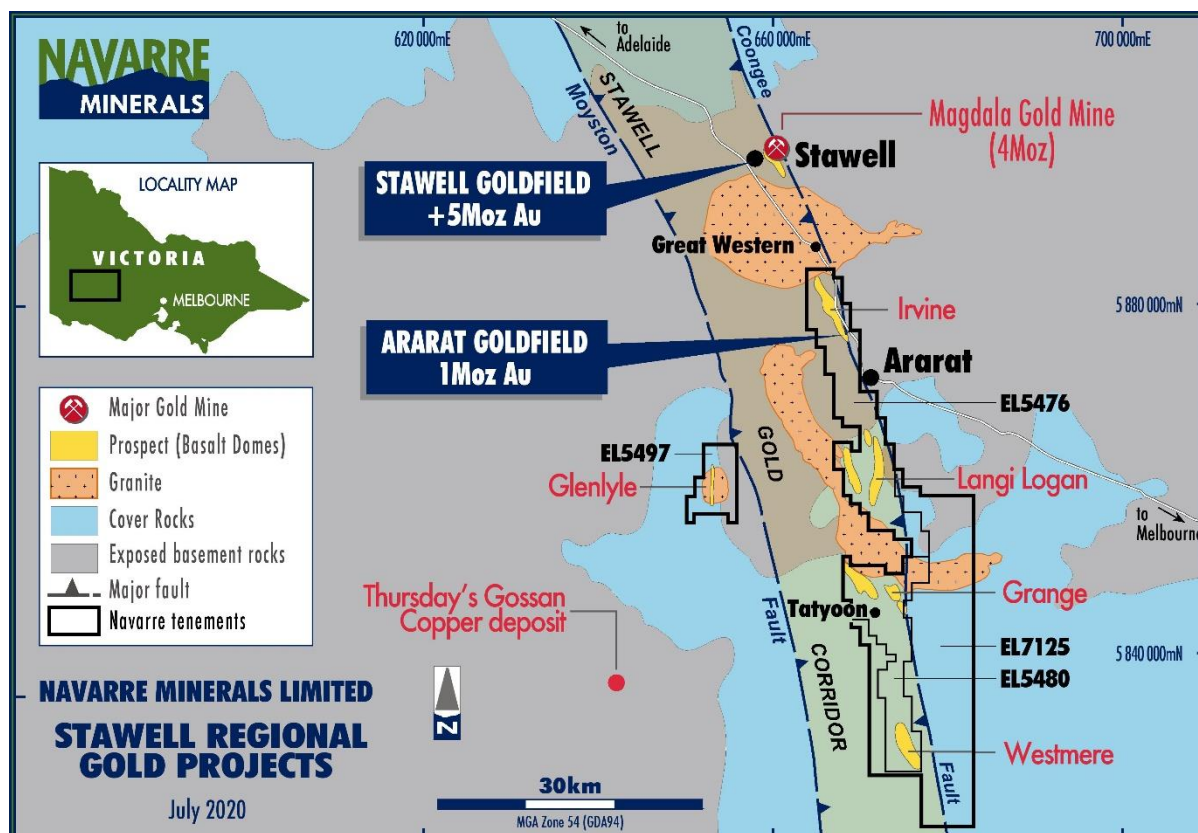


Figure 2: Stawell Corridor Gold Project location map

Irvine Basalt Dome

The project contains the advanced Resolution and Adventure lode prospects along the eastern flank of the Irvine basalt dome, 20km south of the operating Stawell Gold Mine (Figures 1 - 3). Navarre is expanding the strong and extensive zones of shallow gold mineralisation intersected at Adventure and Resolution lodes with a significant diamond drilling program targeting mineralisation at depth as the Company strives towards establishing a mineral resource base for the project area.

Resolution Lode

During the year, your Company continued a 9,000m diamond drilling program targeting depth extensions to the 1.6km long Resolution Lode gold structure to approximately 300m below surface. Significant results for the first 12 diamond holes of the program have continued to deliver strong, consistent grades of gold mineralisation (refer NML ASX releases of 27 April 2020 & 8 July 2020; Figure 4), including:

- 2.5m @ 6.1 g/t Au from 373.2m and 2.4m @ 6.0 g/t Au from 428.5m in RD016
- 2.6m @ 5.5 g/t Au from 301.9m in RD015
- 2.4m @ 4.4 g/t Au from 293.7m in RD018
- 3.1m @ 3.1 g/t Au from 204.3m in RD019
- 2.9m @ 6.2 g/t Au from 187.3m within a broader zone of 9.4m @ 2.6 g/t Au in RD023
- 2.0m @ 9.9 g/t Au from 235.8m in RD024
- 1.0m @ 20.8 g/t Au from 358.6m within a broader zone of 10.3m @ 2.2 g/t Au in RD024
- 7.7m @ 5.6 g/t Au from 141.8m and 3.9m @ 4.4 g/t Au from 154.8m within a broader zone of 18.7m @ 3.4 g/t Au recorded in southernmost hole, RD025.

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MANAGING DIRECTOR'S REVIEW OF OPERATIONS (cont.)

Interpretation of the drilling results indicate:

- gold occurs in two higher-grade gold shoots;
- the gold shoots appear to plunge gently to the south;
- a second zone of gold mineralisation has been detected approximately 50m west of the main zone;
- gold mineralisation has been expanded beyond 300m depth and remains open;
- the width of mineralisation in the southern gold shoot appears to thicken towards the south; and
- the tenor of gold within the gold shoots, below the base of oxidation, is consistent at between 4 g/t and 6 g/t.

The drilling is targeting a maiden mineral resource in March 2021 Quarter.

Drilling continues to build the potential of the Irvine Gold Project into a new large-scale gold system similar to the 4Moz Magdala gold deposit at Stawell.

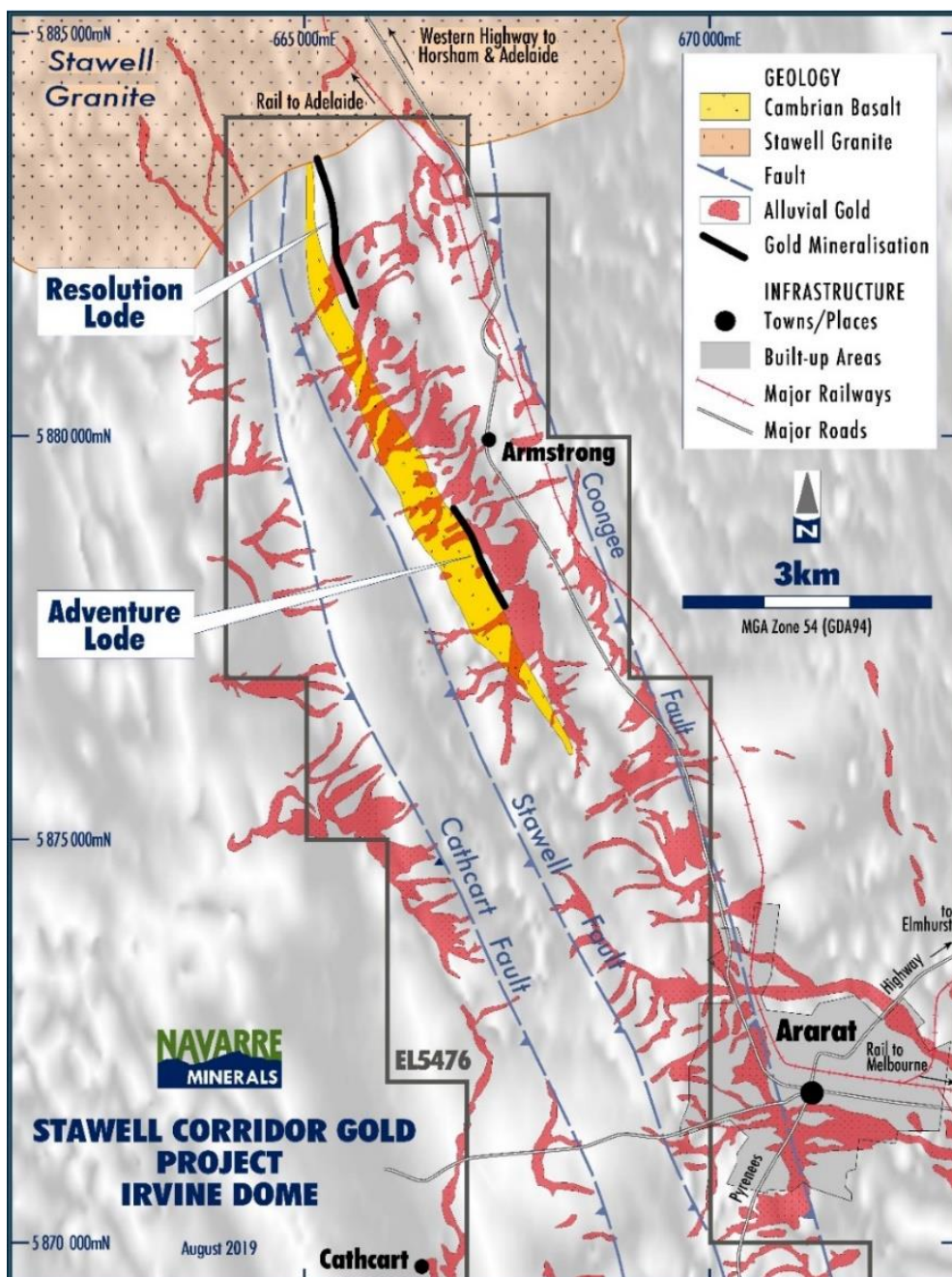


Figure 3: Plan showing location of Resolution and Adventure lodes relative to alluvial gold workings of the historical 1Moz Ararat Goldfield

MANAGING DIRECTOR’S REVIEW OF OPERATIONS (cont.)

Adventure Lode

The 1.3km long Adventure Lode prospect, like Resolution Lode, represents an opportunity to define significant gold mineralisation to contribute towards the projects mineral resource (Figure 3).

During the year Navarre completed its first diamond drilling program at Adventure Lode comprising five widely-spaced holes in 1,405 metres of drilling. The program tested the depth extensions of several higher-grade gold shoots, typical of a shear-hosted gold system targeted by Navarre’s exploration model. Two of the five diamond holes intersected significant gold mineralisation in two gold shoots that remain open down-plunge and require further drilling (see Figure 5).

Significant intersections include (see 20 December ASX release; Figure 5):

- 4.75m @ 3.5 g/t Au from 206.9m, including 1.15m @ 9.8 g/t Au in AD001
- 4.6m @ 3.5 g/t Au from 327.3m in AD002

Interpretation of the drill results indicate:

- the gold mineralisation occurs in geometrical patterns similar to the gold shoots at the Magdala Gold Mine;
- four higher-grade gold shoots have been identified (Shoots 1 - 4 in Figure 5);
- gold mineralisation has been expanded to 300m depth and remains open; and
- similar to Magdala, the geometry of the basalt dome appears to influence the location and geometry of the gold shoots: where the basalt contact is at a low angle (e.g., area around AD001 & AD002), the shear structure dilates (widens) and is well-mineralised; and where the basalt steepens (e.g., area around AD004 & AD005), the structure is narrow and poorly mineralised.

Follow up programs of diamond drilling are planned for the 2020-21 field season.

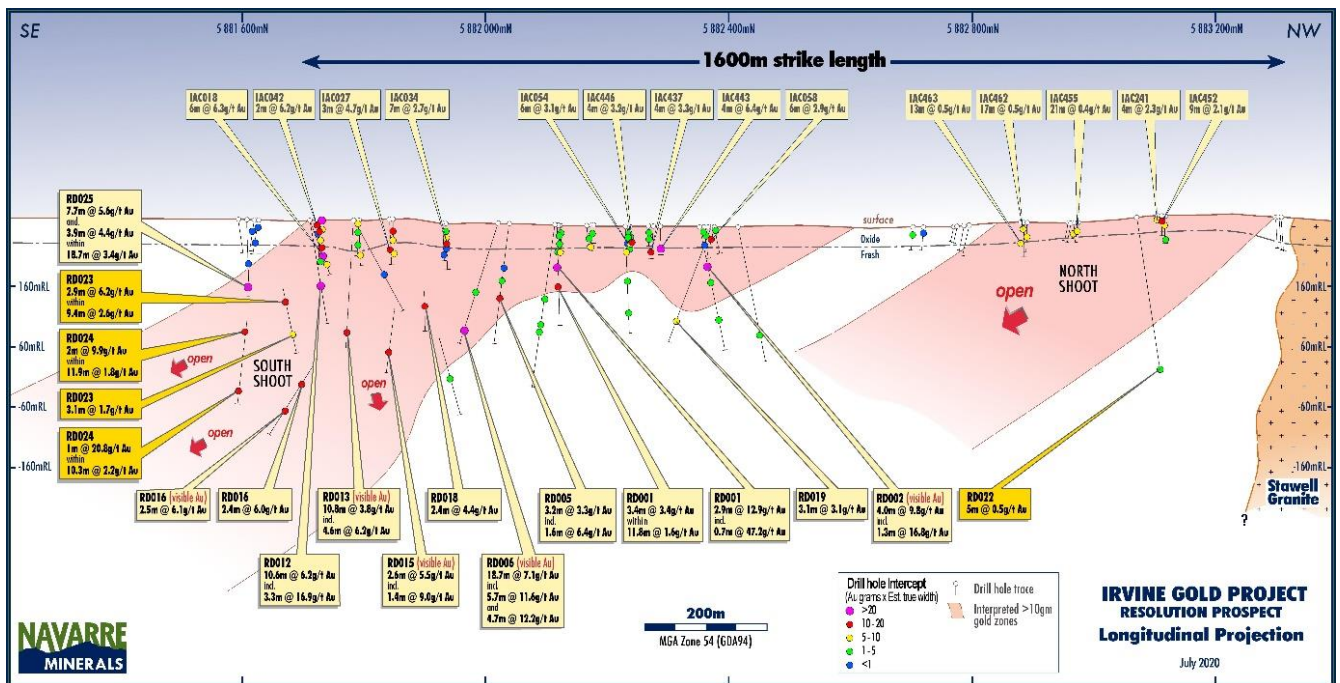


Figure 4: Longitudinal Projection of the Resolution Lode showing infill AC drill results (refer to ASX announcement of 8 July 2020)

MANAGING DIRECTOR'S REVIEW OF OPERATIONS (cont.)

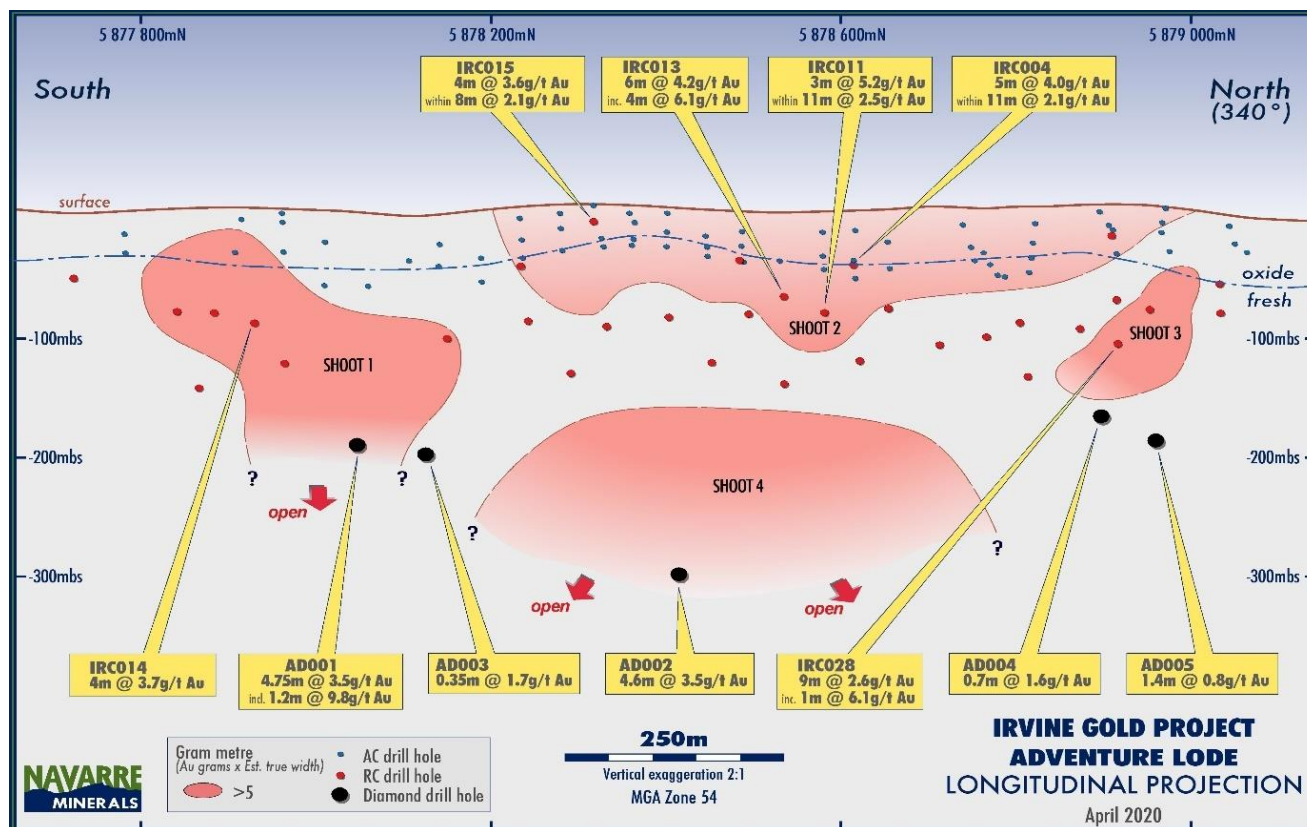


Figure 5: Longitudinal Projection of the Adventure Lode showing key drill intercepts.

Langi Logan

South of the Irvine basalt dome, the 12km long Langi Logan basalt dome is the next major prospect for Magdala-style mineralisation within the Stawell Corridor Gold Project (Figures 2 & 6).

Prior to World War One, deep lead mining within the prospect area produced approximately 133,000 ounces of gold from old river gravels now covered by younger lava flows that range from 2 to 30 metres in thickness.

A 6,120m reconnaissance AC drilling program completed during the year has assessed approximately half of the 12km strike length of the Langi Logan basalt dome for potential Magdala analogues. Results have highlighted several areas of anomalous gold, quartz veining and sulphides (pyrite + arsenopyrite) requiring follow-up infill drilling. Significant gold intersections include (see ASX release 20 December 2019; Figure 6):

- **1m @ 21.2 g/t Au** from 32m in IAC120
- **2m @ 0.9 g/t Au** from 40m in IAC121
- **4m @ 1.0 g/t Au** from 21m in IAC119 (in alluvial gravels)

A highlight intersection of **1m @ 21.2 g/t Au** expands shallow high-grade gold mineralisation at Target A to over 650m in strike length (Figure 6). The highly anomalous gold grades intersected to date are considered significant for this early stage of reconnaissance drilling.

Follow-up reconnaissance and infill AC drilling is planned for the 2020-21 field season.

The Langi Logan prospect is at an early stage of exploration and is showing potential to be a new gold system similar to the Magdala gold deposit at Stawell.

MANAGING DIRECTOR'S REVIEW OF OPERATIONS (cont.)

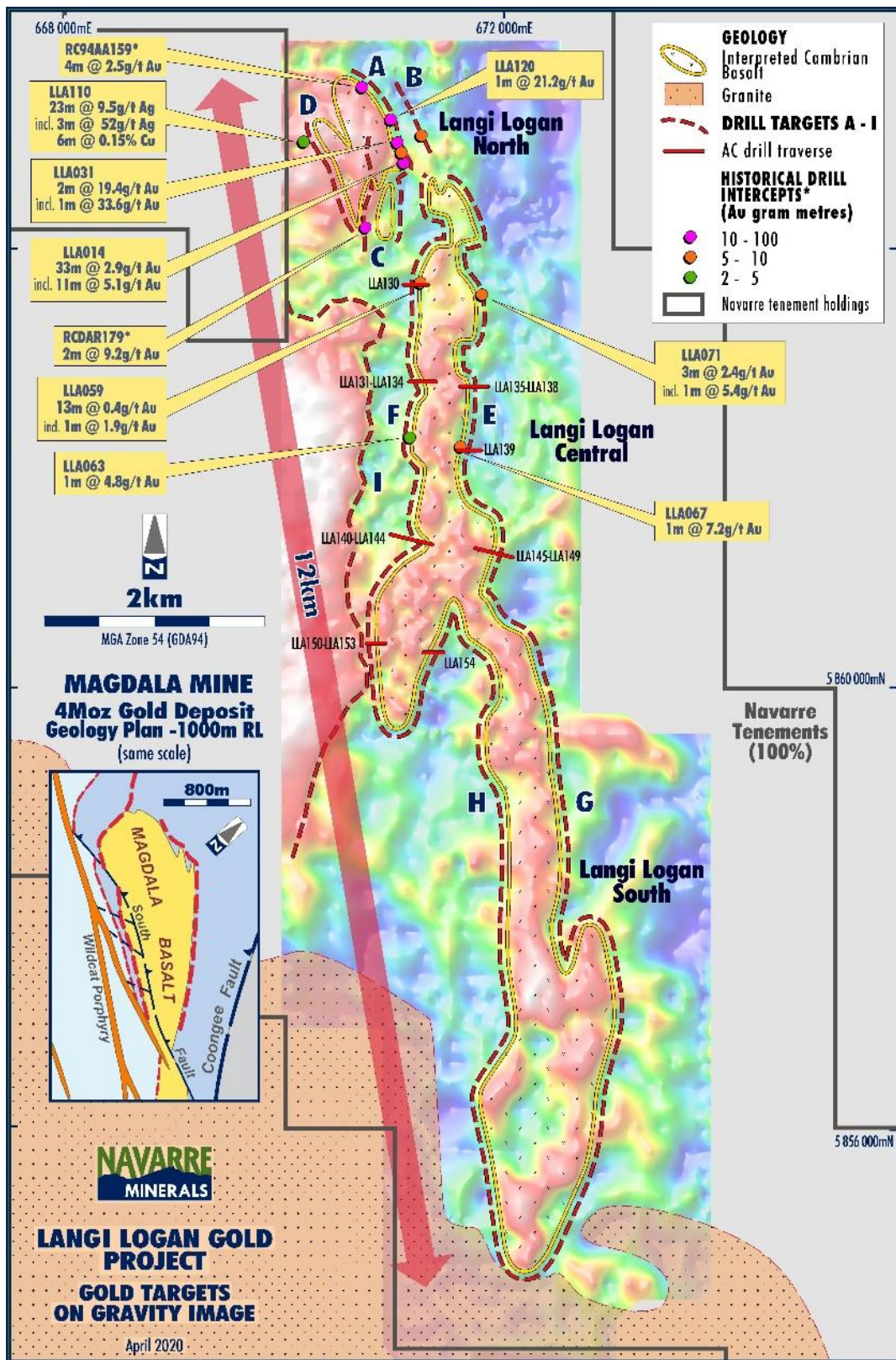


Figure 6: Gravity image showing AC drill results and geological interpretation.

TANDARRA GOLD PROJECT (RL 6660) (JV with operator Catalyst Metals Limited; Navarre 49%)

The high-grade Tandarra Gold Project is located 50km northwest of Kirkland Lake Gold's world-class Fosterville Gold Mine, and 40km north of the 22 million-ounce Bendigo Goldfield (Figure 1). Exploration at Tandarra, in Joint Venture with operator Catalyst Metals Limited (ASX:CYL), is targeting the next generation of gold deposits under shallow cover in the region.

MANAGING DIRECTOR'S REVIEW OF OPERATIONS (cont.)

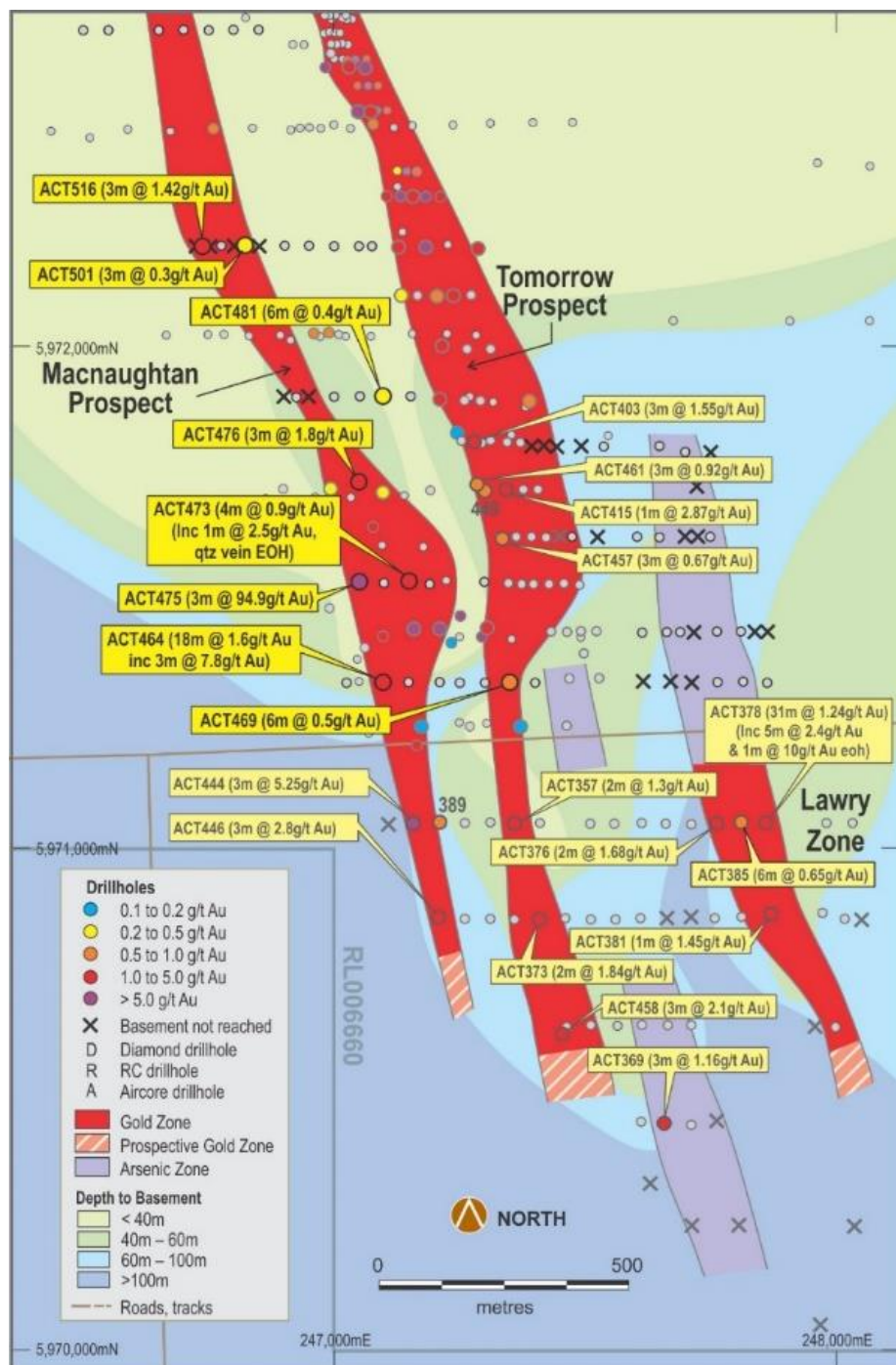


Figure 7: Tandarra - Drill plan for the southern AC program, showing results, main gold intersections with interpolated gold trends and depth to basement (Diagrams reproduced courtesy of Catalyst Metals Limited).

Diamond Drilling:

In July 2019, a six hole, 1,566 metre diamond drilling program testing depth extensions and mineralised repetitions of the high-grade Tomorrow mineralisation was completed. Drilling intersected encouraging zones of quartz veining, sulphides and alteration. Highlight drill intersections (refer ASX announcement 14 October 2019) included:

- **7.0m @ 5.4 g/t Au** from within a broader interval of **14.6m @ 3.0 g/t Au** from 102.4m in DDT020;
- **0.4m @ 243 g/t Au** from 180.0m in DDT020; and
- **3.0m @ 4.7 g/t Au** from 118m in DDT023.

A follow-up expansion program of four holes in 1,325m of diamond core drilling was completed in April 2020 with results expected to be reported in September 2020 following completion of core logging, sampling and geological interpretation.

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MANAGING DIRECTOR'S REVIEW OF OPERATIONS (cont.)

AC Drilling:

During the year, approximately 15,800m of reconnaissance and infill AC drilling was completed across the southern projection of the Tomorrow and Macnaughtan prospects. Significant gold mineralisation was intersected 1,200m beyond the previously known southern limit of Tomorrow and 400m beyond the southern limit of Macnaughtan, in each case remaining open to the south. In addition, a new zone of gold mineralisation, named the Lawry prospect was revealed approximately 400m east of the Tomorrow prospect (Figure 7).

The best drill intersections returned from **Lawry** were (see ASX release of 6 April 2020):

- **31m @ 1.2 g/t Au**, including and **1m @ 10.2 g/t Au** from 56m in ACT378
- **2m @ 1.7 g/t Au** from 91m in ACT376
- **1m @ 1.45 g/t Au** from 71m in ACT381

The best drill intersections returned from **Tomorrow** were (see ASX release of 6 April 2020):

- **2m @ 1.8 g/t Au** from 125m and **2m @ 1.5 g/t Au** from 69m in ACT373
- **3m @ 2.1 g/t Au** from 78m in ACT458

The best drill intersections returned from **Macnaughtan** were (see ASX releases of 6 April 2020 & 30 June 2020):

- **3m @ 5.25 g/t Au** from 102m in ACT444
- **3m @ 2.8 g/t Au** from 96m in ACT446
- **3m @ 94.9 g/t Au** from 87m in ACT475
- **18m @ 1.6 g/t Au**, including **3m @ 7.8 g/t Au** from 75m in ACT464
- **1m @ 2.5 g/t Au** from 108m to end of hole in ACT473
- **3m @ 1.8 g/t Au** from 66m in ACT476

Follow up drill programs will be assessed once all previous drill results have been received and interpreted.

ST ARNAUD GOLD PROJECT (EL 6556 & ELAs 6819, 7431, 7436) (Navarre 100%)

The St Arnaud Gold Project surrounds the historical St Arnaud Goldfield, which has previously produced approximately 400,000 ounces. High-grade gold was mined from quartz lodes in a structural setting consistent with most gold deposits in central Victoria, including Bendigo and Fosterville (Figure 1).

In August 2020, the Victorian Government's Earth Resource Regulation awarded priority status to Navarre's exploration licence application, ELA 6819, in a competitive bid process.

The new ground consolidates the 400,000 ounce St Arnaud Goldfield and surrounding tenure, providing access to follow up rich legacy drill hits such as one metre at 1,174 grams per tonne gold (see ASX release of 13 August 2020).

The Company has lodged two adjacent exploration licence applications over almost 1,000 square kilometres, which would double the size of the project.

On 30 July 2019, the Company announced the results of an AC drilling program of 975m across 11 holes targeting two mineralised transverse quartz reef structures at the St Arnaud East prospect. The drilling intersected gold mineralisation up to 5.4 g/t in a reef that extends up to 200m in length and remains open at depth and to the west. Further details about the results of the program can be found in Navarre's ASX announcements of 30 July 2019.

Following grant of EL 6819, the Company is planning its first drilling to follow-up the legacy intercept of 1m @ 1,174 g/t Au.

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

The Group is targeting large volcanic massive sulphide, epithermal and porphyry copper-gold deposits in the Stavelly Arc volcanics within its Western Victoria Copper Project (Figure 1). The Project area captures multiple polymetallic targets in three project areas including Glenlyle, Eclipse and Stavelly.

Black Range Project (EL 4590) (Navarre 100%)

The Black Range Project captures three fault-bound segments of the Stavelly Arc Volcanics. The Project area includes the Eclipse prospect where a supergene blanket of enriched copper (chalcocite) mineralisation is developed above widespread copper, gold and zinc mineralisation, interpreted to be associated with a potential volcanic-hosted massive sulphide system (VMS).

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MANAGING DIRECTOR'S REVIEW OF OPERATIONS (cont.)

During the year, the Company completed a 1,496m diamond drilling program across 3 diamond holes confirming VMS style mineralisation in three horizons.

The drilling returned peak assays of 2.4 grams a tonne gold, accompanied by 1.5% copper and 0.3% zinc.

Detailed geological assessments suggest the VMS horizons strengthen towards the north, where airborne magnetics highlight a large volcanic basin, 4km long and 1.5km thick.

Further details about the results of the program can be found in Navarre's ASX announcements of 18 June 2020.

A follow-up campaign of AC and diamond drilling is now planned for the 2020-21 field season.

Glenlyle Project (EL 5497) (Navarre 100%)

During the year, the Company completed its third phase of AC drilling designed to expand and scope the shallow lateral expanses of gold and silver mineralisation discovered in 2018 (referred to as the Morning Bill prospect).

The drilling intersected similar discrete gold + zinc + copper mineralisation, mainly within a broad envelope of anomalous silver (assaying between 1 and 12 g/t silver). The gold-silver zone is interpreted to have lateral extents of approximately 350m (east-west) by 300m (north-south), remaining open to the south and at depth.

Highlight drill intercepts include (see ASX release of 14 April 2020):

- **5m @ 1.0 g/t Au** from 58m, incl. **1m @ 3.6 g/t Au** (GAC077)
- **2m @ 1.7 g/t Au** from 30m (GAC064)
- **19m @ 2.8 g/t Ag** from 84m, incl. **3m @ 8.8 g/t Ag** (GAC075)
- **46m @ 2.2 g/t Ag** from 54m to end of hole, incl. **1m @ 0.5 g/t Au & 0.5% Zn** (GAC085)
- **31m @ 1.0 g/t Ag** from 63m to end of hole (GAC073)

The mineralisation is coincident with a magnetic low zone, interpreted to represent demagnetising of the volcanic (andesite) host rock as a result of the pervasive silica-sericite alteration. This observation highlights other larger magnetic lows within the project area that remain untested.

Glenlyle is an early stage project with potential for polymetallic mineralisation hosted in either a porphyry, epithermal or a VMS setting.

Further details about the results of the program can be found in Navarre's ASX announcement of 14 April 2020.

Stavely Project (EL 5425) - Earn-in Agreement with Stavely Minerals Limited (Navarre 49%)

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 EL 5425 by spending \$450,000 over a five year period. EL 5425 adjoins Stavely's namesake Stavely Copper Project in western Victoria (Figure 1).

During the year, as manager Stavely completed two diamond drill holes for a total of 403 metres, but neither hole produced obvious indications of mineralisation.

Stavely also informed Navarre that they had fulfilled the initial expenditure commitment of \$150,000 for the first earn-in period and has elected to spend a further \$300,000 over the next three years which will take their equity interest in EL 5425 from 51% to 80%. EL 5425 is adjacent to Stavely's namesake Stavely Copper Project in western Victoria.

CORPORATE

Capital raising

During the financial year, the Company raised \$4,752,009 (before transaction costs) from a share placement In October 2019 (\$4,750,009) and the exercise of employee options (\$2,000).

Cash position

Navarre is fully funded to continue its ongoing exploration programs, with \$5,606,648 cash as at 30 June 2020. Subsequent to year's end, the Company completed an \$8,000,000 capital raising (before transaction costs), by way of a placement to new and existing institutions and sophisticated investors.

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MANAGING DIRECTOR'S REVIEW OF OPERATIONS (cont.)

Board movements

Mr Ian Holland was appointed an independent non-executive director of the Company on 25 May 2020. Subsequent to the balance date, the Company announced, as part of a phased succession process, the appointment of Mr Holland as joint Managing Director with effect from 1 September 2020.

On April 2 Mr John Dorward resigned from the board, owing to increased work commitments in his role as president and CEO of the Canada-based Roxgold Inc.

OUTLOOK

With a strengthened balance sheet at a time of renewed investor interest in gold, Navarre is in an excellent position to fast track its exciting exploration efforts. The board and management look forward to updating shareholders in coming months, with strong news flow expected.



Geoff McDermott
Managing Director

15 September 2020

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.

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DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2020

The directors present their report together with the consolidated financial statements of the group comprising Navarre Minerals Limited (variously the "Company", "Navarre" and "Navarre Minerals") and its subsidiaries (together, the "Group") for the financial year ended 30 June 2020. 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	<i>BSc (Hons), ARSM, MBA</i> Mr Wilson has over 30 years' experience in the minerals and finance industries. He was the Managing Director of Rey Resources Limited, an Australian energy exploration company, from 2008 to 2016 and the Managing Director of Leviathan Resources Limited, a Victorian gold mining company, from its initial public offering in 2005 through to its sale in 2006. He has prior experience as a geologist with the Anglo American Group in Africa and North America and as a stockbroking analyst and investment banker with CS First Boston and Merrill Lynch in Australia and USA.	Los Cerros Limited (ongoing) Investigator Resources Limited (ongoing)	Chairman of the Board Chairman of the Remuneration & Nomination Committee Acting Chairman of the Audit Committee from 2 April to 25 June 2020 and from 1 September 2020.
Geoff McDermott Appointed 19 May 2008	Joint Managing Director Executive	<i>BSc (Hons), MAIG</i> 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
Ian Holland Appointed Non-executive, independent director on 25 May 2020 Appointed Joint Managing Director on 1 September 2020	Joint Managing Director Executive	<i>BSc, MMinGeoSc, FAusIMM, F Fin, MAICD</i> Mr Ian Holland has over 20 years of experience in the minerals industry across a number of gold and base metal operations throughout Australia. He is a geologist by background and has a strong track record of value creation with his most recent role as Vice President, Australian Operations for Kirkland Lake Gold where he lead the growth of the world-class Fosterville Gold mine in Victoria. He was also previously the General Manager of Fosterville for a number of years as well as roles at Mount Isa Mines, Mount Gordon and Renison.	None	Chairman of the Audit Committee from 25 June to 31 August 2020 Member of the Remuneration & Nomination Committee from 25 June 2020
Colin Naylor Appointed 5 November 2010 Appointed Company Secretary on 31 July 2018	Director & Company Secretary Non-Independent	<i>B.Bus (Acc), FCPA</i> 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.	None	Member of the Audit Committee and the Remuneration & Nomination Committee
John Dorward Appointed 15 August 2008 Resigned 2 April 2020	Director Non-executive Independent	<i>BComm (Hons), GradDipAppFin, CFA</i> Mr Dorward is President, Chief Executive Officer and Director of Roxgold Inc., a TSX listed gold explorer and producer.	Roxgold Inc. (ongoing) Contact Gold Corp. (ongoing)	Until 2 April 2020, Chairman of the Audit Committee and Member of the Remuneration & Nomination Committee

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DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2020

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	Director Options	MD Options	MD Performance Rights	Company Secretary Options
K Wilson	13,606,085	1,700,000	-	-	-
G McDermott	12,978,568	-	6,000,000	1,500,000	-
C H Naylor	5,814,562	1,400,000	-	-	1,000,000
I Holland	500,000	-	-	-	-

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

2. COMPANY SECRETARY

Mr Colin Naylor was appointed Company Secretary with effect from 31 July 2018. Ms Ford was appointed Assistant Company Secretary with effect from 6 September 2017.

3. DIVIDENDS

No dividend has been paid, provided or recommended during the financial year and to the date of this report (2019: 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 6 permanent employees at 30 June 2020 including directors (2019: 7).

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

Refer to the Managing Director's Review of Operations 2020 on pages 3 to 12.

4.4 Review of financial position

(a) Results for the year

The net loss for the financial year, after provision for income tax, was \$984,124 (2019: loss after tax of \$866,104).

(b) Review of financial condition at the balance date

At balance date the Group held cash and cash equivalents of \$2,596,648. During the year the Group increased the cash balance by \$848,783 following net proceeds from share issues of \$4,479,210 and interest received of \$107,037, which was partially used to meet investment, exploration and capital net cash outflows of \$2,989,355 and corporate costs of \$748,109.

(c) Share issues

In October 2019, Navarre raised \$4,750,009 (before transaction costs) from a share placement to institutional and sophisticated investors, resulting in the issue of 43,181,900 ordinary shares at an issue price of \$0.11 per share.

In October 2019, Navarre raised \$2,000 (before transaction costs) from issuing 50,000 fully paid ordinary shares following the exercise of unlisted employee share options (exercise price \$0.04, expiry date 31 December 2019).

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DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2020

4. OPERATING AND FINANCIAL REVIEW (cont.)

4.4 Review of financial position (cont.)

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

During the year, the Group raised \$4,752,009 (before transaction costs) through capital raising initiatives, as detailed above (under the heading "Share issues"). The purpose of the capital raising was mainly to enable the Company to pursue exploration programs at the various prospects in the emerging Stavely Arc mineral province and provide flexibility to expand the scale of the drilling at the Stawell Corridor Gold Project.

In June 2020, the Company executed an Asset Sale Agreement to acquire 100% of the Jubilee Gold Project (EL 006689), a high-grade gold exploration licence, 25km south-west of Ballarat, Victoria. The Company made a \$20,000 cash payment on execution of the agreement and will pay a further \$20,000 cash on transfer of the exploration licence, which is currently being processed by the Victorian Department of Jobs, Precincts and Regions.

(e) Significant events after the balance date

In July 2020, the Group raised \$8,000,000 (before transaction costs) through a share placement to sophisticated and professional investors, resulting in the issue of 64,000,000 ordinary shares at an issue price of \$0.125 per share.

On 1 September 2020, Non-executive Director, Mr Ian Holland, was appointed as joint Managing Director as part of a phased succession process which will see Mr Holland as sole Managing Director on 1 April 2021. As part of the Mr Holland's appointment, and subject to shareholder approval at the November 2020 Annual General Meeting, an LTI allocation of 1.5 million Performance Rights will be granted with vesting to occur against various share price milestones over 3 years.

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 continued to focus on the Irvine Gold Project and Tandarra Gold Project, while also broadening its mineral exploration activities to include programs at Langi Logan, Glenlyle and Black Range.

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 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 at the Irvine Gold Project and Tandarra Gold Project, and exploration at the Langi Logan, Glenlyle, Jubilee and St Arnaud tenements. Opportunities for growth through acquisition will also be 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.

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

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DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2020

4. OPERATING AND FINANCIAL REVIEW (cont.)

4.5 Business strategy and prospects for future financial years (cont.)

- (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

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

Options expired during the financial year

1,150,000 unlisted employee share options in the Company expired on 29 November 2019 and 1,400,000 unlisted employee share options in the Company expired on 2 April 2020.

Unissued shares under option

At the date of this report, there were 19,000,000 unissued ordinary shares of the Company under option. The details of these options are as follows:

Expiry Date	Exercise Price	Number
6 June 2021	\$0.150	1,000,000
31 December 2021	\$0.090	200,000
17 May 2012	\$0.1313	4,000,000
29 January 2023	\$0.150	2,000,000
10 April 2023	\$0.150	4,650,000
21 February 2024	\$0.120	1,700,000
17 May 2014	\$0.120	5,450,000

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DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2020

5. SHARE OPTIONS (cont.)

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
50,000	\$0.04
200,000	\$0.072

6. SHARE PERFORMANCE RIGHTS

Compensation performance rights issued during the financial year

During the financial year, the Company issued 1,300,000 share performance rights to senior employees of the Company, and, following approval at the 2019 Annual General Meeting, 1,500,000 share performance rights to the Managing Director of the Company.

Performance rights expired during the financial year

No performance rights expired during the financial year.

Unissued shares under performance rights

At the date of this report, there were 2,800,000 unissued ordinary shares of the Company under performance rights. The terms of these performance rights are as follows:

Expiry Date	Number
31 December 2022	1,500,000
30 June 2023	1,300,000

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

Shares issued on the exercise of performance rights

During or since the end of the financial year, there has been no issue of ordinary shares as a result of the exercise of performance rights.

7. INDEMNIFICATION AND INSURANCE OF DIRECTORS

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

8. BOARD AND COMMITTEE MEETINGS

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

	Board of Directors		Audit Committee		Remuneration & Nomination Committee	
	A	B	A	B	A	B
K Wilson	11	11	4	4	8	8
G McDermott	11	11	-	-	6	8
J Dorward ¹	5	6	3	4	4	5
C Naylor	11	11	4	4	8	8
I Holland ²	3	3	-	-	-	-

A – Number of meetings attended

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

¹Mr Dorward resigned on 2 April 2020.

²Mr Holland was appointed on 25 May 2020.

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DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2020

9. AUDITOR INDEPENDENCE AND NON-AUDIT SERVICES

The directors have received the independence declaration from the auditor, RSM Australia Partners, set out on page 29.

Non-Audit Services

There were no non-audit services provided during the year by the auditor, RSM Australia Partners.

10. REMUNERATION REPORT (Audited)

The Remuneration Report for the year ended 30 June 2020 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.

10.1 Key Management Personnel for the year ended 30 June 2020

Directors

K Wilson	Chairman (independent non-executive)
G McDermott	Managing Director
I Holland	Director (independent non-executive) (appointed 25 May 2020)
C H Naylor	Director and Company Secretary (executive)
J Dorward	Director (independent non-executive) (resigned as director 2 April 2020)

Executives

Jodi Ford	Accountant and Assistant Company Secretary
S Mele	Exploration Manager

10.2 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.

10.3 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.

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DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2020

10. REMUNERATION REPORT (Audited) (cont.)

10.3 Non-executive director remuneration arrangements (cont.)

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") or share performance rights issued through the Navarre Minerals Performance Rights Plan. In September 2019, the R&N Committee reviewed the annual base fee payable to non-executive directors, noting that the base fee had not changed since the company listed on the ASX in March 2011. In recognition of market conditions and the importance of setting directors fees which have the capacity to attract new directors, the base fee payable to non-executive directors was increased by \$10,000 per annum (excluding statutory superannuation) effective from 1 July 2019. The Chairman is entitled to receive \$50,000 per annum (excluding statutory superannuation) and the other non-executive director is entitled to receive \$40,000 per annum (excluding statutory superannuation).

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

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 2020 and 30 June 2019 is detailed in Table 1 and Table 2 of this Remuneration Report.

10.4 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.

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DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2020

10. REMUNERATION REPORT (Audited) (cont.)

10.4 Executive remuneration arrangements (cont.)

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 or Navarre Minerals Performance Rights Plan, which are used to provide long term performance and retention incentives, as appropriate. See page 27 for details of options and performance rights granted to key management personnel during the year.

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

10.5 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, September 2016 and February 2017):-

- **Term:** From 31 March 2011 until either the Company or Mr McDermott terminates the agreement.
- **Notice:** The Company may terminate the agreement at any time by giving six months' notice in writing. Mr McDermott may terminate the agreement at any time by giving six months' written notice to the Company or on one month's written notice to the Company if a 'fundamental change' to his employment occurs or the Company has failed to remedy a notified breach of its obligations under the agreement. The Company may immediately terminate the agreement by giving written notice in certain circumstances, including if serious misconduct has occurred. The Company may elect to pay Mr McDermott in lieu of part or all of any notice period.
- **Base salary:** Mr McDermott's total fixed remuneration is \$245,936 per annum plus statutory superannuation (\$21,003). 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.
- **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 2019 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 2020, the R&N Committee (excluding the Managing Director) assessed the Managing Director's performance against his 2019 short term incentive KPIs and determined that two of four KPIs had been met in full and two of four KPIs had been partially met. Accordingly, the Board (excluding the Managing Director) approved a cash payment of \$60,000 to the Managing Director by way of short term incentive for calendar year 2019.

In October 2019, the R&N Committee (excluding the Managing Director) considered the Managing Director's short term incentive arrangements for calendar year 2020. The R&N Committee (excluding the Managing Director) resolved that the grant of Performance Rights, with appropriate performance hurdles, to be a more effective incentive arrangement than the incentive arrangement used in previous years. Therefore, no short term incentive payment was included in Mr McDermott's remuneration package for calendar year 2020. Instead, Mr McDermott was granted 1,500,000 share performance rights (see below **Long-term incentive** section for further details).

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DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2020

10. REMUNERATION REPORT (Audited) (cont.)

10.5 Executive Contractual Arrangements (cont.)

- **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 2019 included 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 12 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 May 2019 and the options were issued shortly after that meeting on 17 May 2019. Vesting conditions have been achieved for two tranches of the share options totalling 2,000,000 options.

In October 2019, the R&N Committee (excluding the Managing Director) reviewed the long term share option incentive arrangements for the Managing Director. The R&N Committee (excluding the Managing Director) resolved that the grant of performance rights, with appropriate performance hurdles, to be a more effective incentive arrangement than the incentive arrangement used in previous years.

The Managing Director's remuneration package for calendar year 2020 includes an incentive in the form of a grant of 1,500,000 share performance rights. The performance rights will vest based on the following conditions:

Number of Performance Rights	Service Condition
500,000	These Performance Rights will vest and become exercisable upon Mr McDermott holding the position of Managing Director at 31 December 2020 (Retention Service Period).
500,000	At the discretion of the Board (excluding Mr McDermott) these Performance Rights will vest and become exercisable upon satisfactory meeting the following hurdles in the period to 31 December 2020 (Service Performance). <ul style="list-style-type: none">- Securing statutory permitting and community support for drilling programs- Execution of drilling programs - on budget with no safety or environmental incidents
166,666	These Performance Rights will vest and become exercisable when the Share price exceeds a closing price of 12 cents per Share for 10 consecutive Trading Days in the period leading up to 31 December 2020.
166,667	These Performance Rights will vest and become exercisable when the Share price exceeds a closing price of 16 cents per Share for 10 consecutive Trading Days in the period leading up to 31 December 2020.
166,667	These Performance Rights will vest and become exercisable when the Share price exceeds a closing price of 20 cents per Share for 10 consecutive Trading Days in the period leading up to 31 December 2020.

The Company obtained shareholder approval for the grant of these performance rights at the Company's annual general meeting in November 2019 and the performance rights were issued shortly after that meeting on 18 November 2019. The Service Condition has been achieved for 166,666 Performance Rights with the Navarre share price exceeding a closing share price of 12 cents per share for 10 consecutive Trading Days.

- **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.

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DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2020

10. REMUNERATION REPORT (Audited) (cont.)

10.5 Executive Contractual Arrangements (cont.)

- *Exploration Manager*

Mr Mele was appointed Exploration Manager of the Company with effect from 22 February 2017. 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.

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 (\$20,230). 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. No short-term incentive was paid to Mr Mele in the financial year.
- **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 2019 included a long-term incentive in the form of a grant of 1,300,000 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 12 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. Vesting conditions have been achieved for two tranches of the share options totalling 866,666 options.

Mr Mele's remuneration package for calendar year 2020 includes an incentive in the form of a grant of 1,000,000 share performance rights. The performance rights will vest based on the following conditions:

Number of Performance Rights	Service Condition
400,000	These Performance Rights will vest and become exercisable upon Mr Mele holding the position of Exploration Manager at Close of Business, 30 June 2021 (Retention Service Period).
600,000	At the discretion of the Board these Performance Rights will vest and become exercisable (in part or in full) upon satisfactorily meeting the following hurdles in the period to 30 June 2021 (Service Performance):- <ul style="list-style-type: none">- significantly advancing at least one of the Company's 100%-owned projects by either:<ul style="list-style-type: none">• Delivery of a Mineral inventory [e.g., 500koz inferred resource + 500koz exploration target] of > 1,000,000 ozs of gold / gold equivalent by 30 June 2021; or• Delivery of a minimum of five potential economic > 30 gram metre gold drill intercepts; and- Securing statutory permitting and community support for drilling programs, and- execution of drilling programs - on budget with no safety or environmental incidents

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DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2020

10. REMUNERATION REPORT (Audited) (cont.)

10.5 Executive Contractual Arrangements (cont.)

- **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*

Mr Colin Naylor was appointed Company Secretary on 31 July 2018, in addition to his role as a Director of the Company. Mr Naylor has been engaged on a part-time basis and entered into an executive service agreement. Mr Naylor is eligible to participate in the Company's long-term incentive arrangements (as amended or replaced) on terms decided by the Board. Mr Naylor's remuneration package as Company Secretary for calendar year 2019 included a long-term incentive in the form of a grant of 1,000,000 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 12 cent exercise price for ten consecutive trading days after the potential vesting date. Mr Naylor 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 May 2019 and the options were issued shortly after that meeting on 17 May 2019. Vesting conditions have been achieved for two tranches of the share options totalling 1,100,000 options.

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.

In his role as a director, Mr Naylor is entitled to receive \$40,000 per annum (excluding statutory superannuation). This amount reflects an increase of \$10,000 (excluding statutory superannuation) effective from 1 July 2019, in line with the increase in the annual base fee payable to non-executive directors, which was approved by the R&N Committee in September 2019. In addition, Mr Naylor is entitled to be paid all travelling and other expenses he incurs 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 Mr Naylor for service on board committees or on the boards of the wholly owned subsidiaries, but additional remuneration may be paid to Mr Naylor if he was called upon to perform extra services or make any special exertion for the purposes of the Company.

- *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 and any unvested performance rights will be forfeited.

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DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2020

10. REMUNERATION REPORT (Audited) (cont.)

10.6 Remuneration of Key Management Personnel of the Company

Table 1: Remuneration for the year ended 30 June 2020

	Short term			Post Employment	Share-based Payment	Long term	Total	Performance Related
	Directors fees \$	Salary/ Consulting fees \$	STI cash bonus \$	Super-annuation benefits \$	Equity-Settled ¹ \$	Long service leave \$		
Non-executive directors								
K Wilson	50,000	-	-	4,750	7,356	-	62,106	11.8
J Dorward ²	30,273	-	-	2,876	4,713	-	37,862	12.4
I Holland ³	4,044	-	-	384	-	-	4,428	0.0
Sub-total non-executive directors	84,317	-	-	8,010	12,069	-	104,396	11.6
Executive directors								
G McDermott	-	241,939	60,000	25,000	142,383	4,789	474,111	42.7
C Naylor	40,000	37,908	-	25,000	15,171	-	118,079	12.8
Other key management personnel								
J Ford	-	60,132	-	5,712	17,543	1,170	84,557	20.7
S Mele	-	212,951	-	20,230	52,510	2,359	288,050	18.2
Sub-total executive KMP	40,000	552,330	60,000	75,942	227,607	8,318	964,797	29.8
TOTAL	124,317	552,330	60,000	83,952	239,676	8,318	1,069,193	28.0

¹Refer Note 19 to the consolidated financial statements for fair value calculation of options and performance rights.

²Mr Dorward resigned as non-executive director effective 2 April 2020.

³Mr Holland was appointed non-executive director on 25 May 2020.

Table 2: Remuneration for the year ended 30 June 2019

	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	-	-	3,800	33,449	-	77,249	43.3
J Dorward	30,000	-	-	2,850	27,845	-	60,695 ²	45.9
Sub-total non-executive directors	70,000	-	-	6,650	61,294	-	137,944	44.4
Executive directors								
G McDermott	-	243,138	53,750	23,329	83,974	7,742	411,933	33.4
C Naylor ³	30,000	45,178	-	21,062	29,567	-	125,807	23.5
Other key management personnel								
J Ford ⁴	-	59,197	-	5,624	18,761	1,518	85,100	22.0
S Mele	-	212,951	-	20,230	47,822	-	281,003	17.0
Sub-total executive KMP	30,000	560,464	53,750	70,245	180,124	9,260	903,843	25.9
TOTAL	100,000	560,464	53,750	76,895	241,418	9,260	1,041,787	28.3

¹Refer Note 19 to the consolidated financial statements for fair value calculation of options.

²During the period, Mr Dorward became an Australian resident for taxation purposes, therefore he is entitled to statutory superannuation.

³Appointed as Company Secretary effective 31 July 2018 in addition to role as director.

⁴Appointed as Company Secretary effective 1 June 2018 until 31 July 2018.

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DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2020

10. REMUNERATION REPORT (Audited) (cont.)

10.7 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 2020

	% of Total Remuneration		
	Fixed remuneration %	Performance-based remuneration	
		Short Term Incentive %	Long Term Incentive %
Executives			
G McDermott	57.3	12.7	30.0
C Naylor	87.2	-	12.8
J Ford	79.3	-	20.7
S Mele	81.8	-	18.2

10.8 Equity instruments

(a) Share options

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

	Number of options granted during FY20	Grant date	Fair value per option at grant date (\$)	Exercise price per option (\$)	Expiry Date	Vest Date	Number of options vested during FY20	Number of options lapsed during FY20
Directors								
K Wilson	-	17 May 19	0.033	0.120	17 May 24	17 May 19 ¹	266,667	-
K Wilson	-	17 May 19	0.034	0.120	17 May 24	17 May 20 ¹	266,667	-
G McDermott	-	17 May 19	0.033	0.120	17 May 24	17 May 19 ¹	1,000,000	-
G McDermott	-	17 May 19	0.034	0.120	17 May 24	17 May 20 ¹	1,000,000	-
J Dorward	-	10 Apr 18	0.048	0.150	10 Apr 23	- ¹	-	750,000
J Dorward	-	17 May 19	0.033	0.120	17 May 24	- ¹	-	216,667
J Dorward	-	17 May 19	0.034	0.120	17 May 24	- ¹	-	216,667
J Dorward	-	17 May 19	0.036	0.120	17 May 24	- ¹	-	216,666
C Naylor	-	17 May 19	0.033	0.120	17 May 24	17 May 19 ¹	550,000	-
C Naylor	-	17 May 19	0.034	0.120	17 May 24	17 May 20 ¹	550,000	-
Executives								
J Ford	-	21 Feb 19	0.027	0.120	21 Feb 24	21 Feb 19 ¹	133,333	-
J Ford	-	21 Feb 19	0.028	0.120	21 Feb 24	21 Feb 20 ¹	133,333	-
S Mele	-	21 Feb 19	0.027	0.120	21 Feb 24	21 Feb 19 ¹	433,333	-
S Mele	-	21 Feb 19	0.028	0.120	21 Feb 24	21 Feb 20 ¹	433,333	-

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 Ford	50,000	0.040

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DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2020

10. REMUNERATION REPORT (Audited) (cont.)

10.8 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			
J Dorward	-	-	57,951
Executives			
J Ford	-	437	-

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

(b) Share performance rights

Table 7: Performance Rights granted, vested and lapsed during the year

	Number of rights granted during FY20	Grant date	Fair value per right at grant date (\$)	Expiry Date	Vest Date	Number of rights vested during FY20	Number of rights lapsed during FY20
Directors							
G McDermott	1,000,000	18 Nov 19	\$0.1050	31 Dec 22	31 Dec 20 ¹	-	-
G McDermott	166,666	18 Nov 19	\$0.0877	31 Dec 22	31 Dec 20 ¹	166,666	-
G McDermott	166,667	18 Nov 19	\$0.0692	31 Dec 22	31 Dec 20 ¹	-	-
G McDermott	166,667	18 Nov 19	\$0.0549	31 Dec 22	31 Dec 20 ¹	-	-
Executives							
J Ford	300,000	18 May 20	\$0.1400	30 Jun 23	30 Jun 21 ¹	-	-
S Mele	1,000,000	18 May 20	\$0.1400	30 Jun 23	30 Jun 21 ¹	-	-

¹ Vesting is conditional on certain performance conditions (see section 10.5 above for further details).

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

Table 8: Shares issued on exercise of performance rights

There was no exercise of performance rights during the reporting period.

Table 9: Value of share performance rights granted, exercised and lapsed during the year

	Value of rights granted during the year \$	Value of rights exercised during the year \$	Value of rights lapsed during the year \$
Directors			
G McDermott	140,300	-	-
Executives			
J Ford	42,000	-	-
S Mele	140,000	-	-

For details on the valuation of performance rights, please refer to Note 19 to the consolidated financial statements.

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DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2020

10. REMUNERATION REPORT (Audited) (cont.)

10.9 Additional disclosures relating to shares, options and performance rights

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 2019	Purchases	Received on Exercise of Options	Sales	Held at 30 June 2020
<i>Shares held in Navarre Minerals Limited (number)</i>					
Directors					
K Wilson	13,606,085	-	-	-	13,606,085
G McDermott	12,978,568	-	-	-	12,978,568
J Dorward ¹	9,639,875	-	-	-	-
C Naylor	5,814,562	-	-	-	5,814,562
I Holland	-	-	-	-	-
Executives					
J Ford	58,770	-	50,000	50,000	58,770
S Mele	160,435	-	-	-	160,435

¹Shareholding at resignation on 2 April 2020.

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 2019	Granted as Remuner- ation	Options Exercised	Options Lapsed	Held at 30 June 2020	Vested in 2020	Vested and exercisable at 30 June 2020
<i>Options held in Navarre Minerals Limited (number)</i>							
Directors							
K Wilson	1,700,000	-	-	-	1,700,000	533,334	533,334
G McDermott	6,000,000	-	-	-	6,000,000	2,000,000	2,000,000
J Dorward	1,400,000	-	-	1,400,000	-	-	-
C Naylor	2,400,000	-	-	-	2,400,000	1,100,000	1,100,000
I Holland	-	-	-	-	-	-	-
Executives							
J Ford	1,350,000	-	50,000	-	1,300,000	266,666	666,666
S Mele	2,800,000	-	-	-	2,800,000	866,666	866,666

Performance rights over equity instruments

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

	Held at 1 July 2019	Granted as Remuner- ation	Performance Rights Exercised	Performance Rights Lapsed	Held at 30 June 2020	Vested in 2020	Vested and exercisable at 30 June 2020
<i>Performance Rights held in Navarre Minerals Limited (number)</i>							
Directors							
G McDermott	-	1,500,000	-	-	1,500,000	166,666	166,666
Executives							
J Ford	-	300,000	-	-	300,000	-	-
S Mele	-	1,000,000	-	-	1,000,000	-	-

Navarre Minerals Limited

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DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2020

10. REMUNERATION REPORT (Audited) (cont.)

10.10 Company performance

With the exception of long-term incentives, the remuneration of executives and consultants is not linked to financial performance measures of the Company. Long-term incentives granted to executives are linked to improvements in the Company's share price.

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

	2020	2019	2018	2017	2016
Net profit/(loss) - \$000	(984)	(866)	(1,251)	(703)	(2,672)
Basic earnings/(loss) per share – cents per share	(0.21)	(0.22)	(0.47)	(0.34)	(2.78)
Share price at the beginning of year - \$	0.084	0.059	0.032	0.034	0.024
Share price at end of year - \$	0.110	0.084	0.059	0.032	0.034
Dividends per share – cents	Nil	Nil	Nil	Nil	Nil

*** End of Remuneration Report ***

11. CORPORATE GOVERNANCE STATEMENT

The Company's Corporate Governance Statement for the year ended 30 June 2020, ASX Appendix 4G (Key to Disclosure of Corporate Governance Principles and Recommendations) and other ancillary corporate governance related documents may be accessed from the Company's website at www.navarre.com.au/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
Melbourne, 15 September 2020

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 2020, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

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



RSM AUSTRALIA PARTNERS



J S CROALL
Partner

Dated: 15 September 2020
Melbourne, Victoria

Navarre Minerals Limited

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 \$	2019 \$
Interest income		96,341	54,771
Income		96,341	54,771
Net administration expenses	4	(900,355)	(917,312)
Exploration expenditure written-off		(180,110)	(3,563)
Loss before income tax		(984,124)	(866,104)
Income tax expense	5	-	-
Net loss for the period		(984,124)	(866,104)
Total comprehensive loss for the period		(984,124)	(866,104)
Basic loss per share (cents per share)	6	(0.21)	(0.22)
Diluted loss per share (cents per share)	6	(0.21)	(0.22)

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

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2020

	Note	2020 \$	2019 \$
CURRENT ASSETS			
Cash and cash equivalents	7	2,596,648	1,747,865
Trade and other receivables	8	180,822	299,264
Other financial assets	9	3,010,000	4,287,848
TOTAL CURRENT ASSETS		5,787,470	6,334,977
NON-CURRENT ASSETS			
Other financial assets	9	110,000	110,000
Property, plant and equipment	10	39,525	44,416
Exploration and evaluation costs	11	15,297,618	10,997,701
TOTAL NON-CURRENT ASSETS		15,447,143	11,152,117
TOTAL ASSETS		21,234,613	17,487,094
CURRENT LIABILITIES			
Trade and other payables	12	429,664	416,375
Provisions	13	111,709	97,762
TOTAL CURRENT LIABILITIES		541,373	514,137
NON-CURRENT LIABILITIES			
Provisions	13	2,359	1,434
TOTAL NON-CURRENT LIABILITIES		2,359	1,434
TOTAL LIABILITIES		543,732	515,571
NET ASSETS		20,690,881	16,971,523
EQUITY			
Contributed equity	14	29,634,657	25,155,010
Share based payments reserve	14	672,749	521,068
Accumulated losses	14	(9,616,525)	(8,704,555)
TOTAL EQUITY		20,690,881	16,971,523

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

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2020

	Issued Capital \$	Share Based Payments Reserve \$	Accumulated Losses \$	Total Equity \$
Balance at 1 July 2019	25,155,010	521,068	(8,704,555)	16,971,523
Net loss for the period	-	-	(984,124)	(984,124)
Total comprehensive loss for the year			(984,124)	(984,124)
Transactions with owners in their capacity as owners:				
Cost of share based payments	-	224,272	-	224,272
Share issues	4,752,009	-	-	4,752,009
Costs of issues	(272,799)	-	-	(272,799)
Transfer of equity instruments exercised	437	(437)	-	-
Transfer of equity instruments lapsed	-	(72,154)	72,154	-
At 30 June 2020	29,634,657	672,749	(9,616,525)	20,690,881

	Issued Capital \$	Share Based Payments Reserve \$	Accumulated Losses \$	Total Equity \$
Balance at 1 July 2018	16,641,488	131,005	(7,840,309)	8,932,184
Net loss for the period	-	-	(866,104)	(866,104)
Total comprehensive loss for the year	-	-	(866,104)	(866,104)
Transactions with owners in their capacity as owners:				
Cost of share based payments	-	391,921	-	391,921
Share issues	9,013,200	-	-	9,013,200
Costs of issues	(499,678)	-	-	(499,678)
Transfer of equity instruments lapsed	-	(1,858)	1,858	-
At 30 June 2019	25,155,010	521,068	(8,704,555)	16,971,523

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

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CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2020

	2020	2019
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments to suppliers and employees	(748,109)	(712,580)
Interest received	107,037	34,365
Net cash (used in) operating activities (Note 15)	(641,072)	(678,215)
CASH FLOWS FROM INVESTING ACTIVITIES		
Receipts / (payments) for investments	1,277,848	(4,277,848)
Expenditure on plant and equipment	(9,593)	(31,145)
Expenditure on exploration tenements	(4,257,610)	(3,696,385)
TARGET Minerals Exploration Initiative – Milestone 3 grant	-	365,091
Net cash (used in) investing activities	(2,989,355)	(7,640,287)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from share issues	4,752,009	9,013,200
Transaction costs on issue of shares	(272,799)	(373,517)
Net cash from financing activities	4,479,210	8,639,683
Net (decrease) / increase in cash and cash equivalents	848,783	321,181
Cash and cash equivalents at beginning of period	1,747,865	1,426,684
Cash and cash equivalents at end of period (Note 7)	2,596,648	1,747,865

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

Navarre Minerals Limited

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 1: CORPORATE INFORMATION

The financial report of Navarre Minerals Limited (“Navarre Minerals”, or the “Company”) for the year ended 30 June 2020 was authorised for issue in accordance with a resolution of the directors on 15 September 2020.

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 and Interpretations

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The following Accounting Standards and Interpretations are most relevant to the Group:

AASB 16 Leases

The Group has adopted AASB 16 from 1 July 2019. The standard replaces AASB 117 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognised lease liabilities (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results improve as the operating expense is now replaced by interest expense and depreciation in profit or loss. For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities. For lessor accounting, the standard does not substantially change how a lessor accounts for leases.

Impact of adoption

AASB 16 was adopted using the modified retrospective approach and as such comparatives have not been restated. Right-of-use assets are measured at an amount equal to the lease liability. The Group has applied AASB 16 practical expedient and elected not to recognise right-of-use assets and lease liabilities for leases with less than 12 months of lease term. As the Group only have short term leases that are less than 12 months, these have been expensed directly to the profit or loss for the period ended 30 June 2020.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

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

(c) 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.

(d) 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 FY2020 – 2021.

(e) Basis of consolidation

The consolidated financial statements comprise the financial statements of Navarre Minerals Limited and its subsidiaries as at 30 June 2020 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.

(f) 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 2020, 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.

(g) 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.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

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

(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.

(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) Trade and other receivables

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

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

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

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

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

(k) Leases

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

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

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

(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').

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

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

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

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

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

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

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

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

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

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

(o) Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares, options or performance rights 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.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

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

(q) Income tax (cont.)

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.

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.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

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

(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.

(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	
	2020	2019
	\$	\$
Net administration expenses		
Consultants fees and expenses	10,231	5,083
Directors remuneration (non-executive)	136,127	109,500
Salaries and on-costs	849,608	981,437
Share based payments	224,272	263,921
Investor relations	196,718	163,959
Motor vehicle expenses	19,249	12,736
Audit costs	27,537	26,600
Stock exchange registry and reporting costs	71,699	78,985
Travel costs	8,592	14,681
Depreciation and amortisation	16,657	17,585
Other administration expenses	87,909	84,431
Gross administration expenses	1,648,599	1,758,918
Capitalised as exploration and evaluation costs ¹	(748,244)	(841,606)
Net administration expenses	900,355	917,312

¹ The amount capitalised as exploration and evaluation costs, totalling \$748,244 (2019: \$841,606), forms part of the exploration and evaluation expenditure for the year as set out in Note 11.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 5: INCOME TAX

	Consolidated	
	2020	2019
	\$	\$
Statement of Comprehensive Income		
<i>Current income tax</i>		
Current income tax credit	226,899	178,981
Tax losses not recognised as probable	(226,899)	(178,981)
	-	-
<i>Deferred income tax</i>		
Temporary differences	1,284,598	1,022,574
Tax losses brought to account offsetting temporary differences	(1,284,598)	(1,022,574)
	-	-
Income tax expense reported in the consolidated statement of comprehensive income	-	-

	Consolidated	
	2020	2019
	\$	\$

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:

Accounting loss before tax	(984,124)	(866,104)
At the statutory 30% tax rate (2019: 30%)	295,237	259,831
Share based payment expense	(67,282)	(79,176)
Non-deductible expenses	(1,057)	(1,674)
Tax losses not brought to account	(226,898)	(178,981)
Income tax expense reported in the consolidated statement of comprehensive income	-	-

Deferred Income Tax	Statement of Financial Position		Income Statement	
	2020	2019	2020	2019
	\$	\$	\$	\$

Deferred income tax at 30 June relates to the following:

CONSOLIDATED

Deferred tax liabilities

Interest receivable	(3,617)	(6,826)	3,209	(6,121)
Exploration and evaluation costs	(4,589,285)	(3,299,310)	(1,289,975)	(1,051,152)
Gross deferred income tax liabilities	(4,592,902)	(3,306,136)		

Deferred tax assets

Accruals	40,904	43,197	(2,293)	28,447
Provisions	34,220	29,759	4,461	6,252
Share issue costs	81,840	149,904	-	-
Temporary differences not recognised as not probable	(81,840)	(149,904)	-	-
Tax losses brought to account to offset net deferred tax liability	4,517,778	3,233,180	1,284,598	1,022,574
Gross deferred income tax assets	4,592,902	3,306,136		
Net Deferred Tax Asset	-	-		
Deferred tax expense			-	-

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

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. During the course of the year four subsidiary companies were incorporated and added to the tax consolidated group. Navarre Minerals Limited is the head entity of the tax consolidated group.

- (ii) Tax effect accounting by members of the tax consolidated group

Measurement method adopted under UIG 1052 Tax Consolidated Accounting

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

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

Tax losses

At balance date, the Group has estimated unused gross tax losses of \$21,175,000 (2019: \$19,126,000) 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 June 2018, the Company received an allocation of up to \$1,576,603 exploration credits in the Federal Government's Junior Minerals Exploration Incentive ("JMEI") scheme for FY2019. The JMEI scheme 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 eligible investors who were issued new shares in the Company's capital raising activities during FY2019. On 11 November 2019, the Company created JMEI tax credits totalling \$977,070 which have been applied and distributed on a pro-rata basis to eligible investors. Accordingly, carry forward tax losses have been reduced by \$3,256,901 (i.e. \$977,070 grossed up by 30%).

The balance of unused JMEI credits from FY2019 (\$599,533) have been carried forward to FY2020, and depending on the tax loss recorded for the FY2020, will be distributed to the FY2019 eligible investors. When issuing JMEI credits for FY2020, priority will be given to the carry forward FY2019 credits up to the maximum of \$599,533, prior to issuing JMEI credits to FY2020 eligible investors.

In June 2019, the Company received an allocation of up to \$1,500,000 exploration credits in the Federal Government's JMEI scheme for FY2020 which can be distributed to eligible investors who were issued new shares in the Company's capital raising activities during the FY2020. Following lodgement of the Company's FY2020 tax return, the Company will calculate the pool of exploration credits to be issued to eligible shareholders. However, as mentioned above, the carryover FY2019 JMEI tax credits (\$599,533) will be issued to the FY2019 eligible investors before the remaining exploration credits can be allocated to the FY2020 eligible investors.

The JMEI scheme replaced the previous Exploration Development Incentive scheme ("EDI") scheme from 1 July 2017. 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.

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.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 6: EARNINGS/(LOSS) PER SHARE (cont.)

For the year ended 30 June 2020 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	
	2020	2019
	\$	\$
Net loss	(984,124)	(866,104)
	Shares	Shares
Weighted average number of ordinary shares used in calculation of basic loss per share	464,660,543	392,791,664

NOTE 7: CASH AND CASH EQUIVALENTS

	Consolidated	
	2020	2019
	\$	\$
Cash at bank and in hand	2,596,648	1,747,865

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

NOTE 8: TRADE AND OTHER RECEIVABLES

	Consolidated	
	2020	2019
	\$	\$
Goods and services tax refund	86,808	96,751
Interest receivable	12,057	22,753
Prepaid Tandarra joint venture advance	56,795	156,442
Other	25,162	23,318
	180,822	299,264

At balance date, no receivables are past due or impaired. Due to the short term nature of these receivables, their carrying value approximates fair value. Trade receivables are non-interest bearing and are generally on 30-90 day terms. Details regarding the credit risk of current receivables are disclosed in Note 16.

NOTE 9: OTHER FINANCIAL ASSETS

	Consolidated	
	2020	2019
	\$	\$
Current		
Term Deposits	3,010,000	4,287,848
Non-current		
Bank Guarantees – Exploration Permit bonds	110,000	110,000

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 10: PROPERTY, PLANT AND EQUIPMENT

	Consolidated	
	2020	2019
	\$	\$
At cost	272,226	260,460
Accumulated depreciation	(232,701)	(216,044)
	<u>39,525</u>	<u>44,416</u>
<i>Movement in Plant and Equipment</i>		
Net carrying amount at beginning of year	44,416	30,856
Additions	11,766	31,145
Depreciation	(16,657)	(17,585)
	<u>39,525</u>	<u>44,416</u>

The useful life of the plant and equipment is estimated for 2020 at 3 to 5 years.

NOTE 11: EXPLORATION AND EVALUATION COSTS

	Consolidated	
	2020	2019
	\$	\$
Balance at beginning of year	10,997,701	7,493,861
Expenditure for the year	4,480,027	3,507,403
Expenditure written-off during the year	(180,110)	(3,563)
	<u>15,297,618</u>	<u>10,997,701</u>

Capitalised exploration and evaluation costs at 30 June 2020 relate to Bendigo North \$5,067,766 (2019: \$4,078,495), Western Victoria Copper Project \$1,310,384 (2019: \$528,037), Stawell Corridor \$8,047,955 (2019: \$5,581,283), St Arnaud Gold Project \$836,027 (2019: \$809,886) and Jubilee Gold Project \$35,486 (2019: \$0).

NOTE 12: TRADE AND OTHER PAYABLES

	Consolidated	
	2020	2019
	\$	\$
Trade Creditors	<u>429,664</u>	<u>416,375</u>

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

NOTE 13: PROVISIONS

	Consolidated	
	2020	2019
	\$	\$
Current		
Annual leave entitlement	59,045	51,058
Long service leave entitlement	52,664	46,704
	<u>111,709</u>	<u>97,762</u>
Non-current		
Long service leave entitlement	<u>2,359</u>	<u>1,434</u>

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 14: CONTRIBUTED EQUITY AND RESERVES

	2020 Shares	Consolidated 2020 \$	2019 Shares	2019 \$
ISSUED AND PAID UP CAPITAL				
Ordinary shares	478,242,151	29,634,657	435,010,251	25,155,010
Movements in Ordinary Shares				
Balance at beginning of year	435,010,251	25,155,010	294,746,251	16,641,488
<i>Share Issues:</i>				
Share placement at \$0.11	43,181,900	4,750,009	-	-
Exercise of employee share options	50,000	2,000	-	-
Cost of equity instruments exercised	-	437	-	-
Share placement at \$0.05	-	-	33,980,000	1,699,000
Share purchase plan at \$0.05	-	-	26,284,000	1,314,200
Share placement at \$0.075	-	-	80,000,000	6,000,000
Transaction costs ¹	-	(272,799)	-	(499,678)
Balance at end of year	478,242,151	29,634,657	435,010,251	25,155,010

¹ The total transaction costs for FY2019 include \$128,000 being the value of 4,000,000 share options granted to Hartleys Limited as part consideration for management of the Company's Share Placement in April/May 2019. For further details, including the valuation of these options, please refer to Note 19.

(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 2020, 14,200,000 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.

Other Options

At 30 June 2020, 5,000,000 share options over unissued shares were outstanding consisting of 1,000,000 options granted to an ex-consultant of the Company and 4,000,000 share options granted to Zenix Nominees Pty Ltd, a subsidiary of Hartleys Limited, as part consideration for Hartleys' role as manager for the Share Placement completed in April/May 2019.

(c) Share Performance Rights

At 30 June 2020, 2,800,000 performance rights over unissued shares were granted to senior employees and the managing director of the Company. The performance rights are granted pursuant to the Navarre Minerals Limited Performance Rights Plan, details of which are set out in Note 19.

(d) 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.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 14: CONTRIBUTED EQUITY AND RESERVES (cont.)

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	
	2020	2019
	\$	\$
Balance at beginning of year	521,068	131,005
Cost of share based payments	224,272	391,921
Cost of expired equity instruments transferred to accumulated losses	(72,154)	(1,858)
Cost of exercised equity instruments transferred to issued capital	(437)	-
	<hr/>	<hr/>
Balance at end of year	672,749	521,068

ACCUMULATED LOSSES

	Consolidated	
	2020	2019
	\$	\$
Balance at beginning of year	(8,704,555)	(7,840,309)
Net loss for the year	(984,124)	(866,104)
Cost of equity instruments expired	72,154	1,858
	<hr/>	<hr/>
Balance at end of year	(9,616,525)	(8,704,555)

NOTE 15: STATEMENT OF CASH FLOWS RECONCILIATION

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

	Consolidated	
	2020	2019
	\$	\$
Net loss	(984,124)	(866,104)
<i>Adjustments for:</i>		
Exploration expenditure written-off	180,110	3,563
Depreciation and amortisation (net of allocation to exploration licences)	1,836	1,995
Share based payments (net of allocation to exploration licences)	104,898	152,197
<i>Changes in assets and liabilities</i>		
(Increase)/decrease in trade and other receivables (net of allocation to exploration licences)	21,326	(7,148)
Increase in trade and other payables (net of allocation to exploration licences)	27,657	28,546
Increase in provisions (net of allocation to exploration licences)	7,225	8,736
	<hr/>	<hr/>
Net cash flows used in operating activities	(641,072)	(678,215)

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

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, other receivables and other financial assets. 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.

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 \$429,664 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.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 17: COMMITMENTS AND CONTINGENCIES

(a) Commitments

	2020	2019
	\$	\$
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
	<u>2,390</u>	<u>2,390</u>

	2020	2019
	\$	\$

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	727,350	463,500
Payable later than one year but not later than five years	2,195,000	1,275,200
Payable later than five years	588,000	735,000
	<u>3,510,350</u>	<u>2,473,700</u>

Exploration commitments at 30 June 2020 relate to Bendigo North (the Company's 49% interest in the Tandarra Gold Project) \$1,274,000 (2019: \$1,396,500), Western Victoria Copper Project (excluding EL 5425, see below for details) \$306,000 (2019: \$231,000), Stawell Corridor \$1,551,050 (2019: \$465,900), St Arnaud Gold Project \$209,500 (2019: \$380,300) and Jubilee Gold Project \$169,800 (2019: \$0).

During FY2019, the Company received notification from the Victorian Department of Economic Development, Jobs, Transport and Resources (DEDJTR) that Retention Licence RL 6660 had been granted for a ten-year term expiring on 2 November 2028 for the Tandarra Gold Project. The programme of work and milestones were also agreed with the DEDJTR and will require expenditure of \$3.1 million during the ten-year period. The Company is obligated to pay 49% of the required exploration programme expenditure of \$3.1 million over the period of the licence.

Exploration commitments for Stavely (EL 5425) during the reporting period were met by Stavely Minerals Limited (Stavely) under an earn-in, pursuant to which Stavely may earn up to 80% interest in EL 5425. During the financial year, the Company received notification that Stavely had satisfied the conditions for the first earn-in stage by sole funding \$150,000 of exploration costs in the first two years, to earn a 51% equity interest in EL 5425 in accordance with the Stavely Farm-in and Joint Venture Agreement signed in January 2018. Stavely has also elected to proceed to the second earn-in stage and sole fund a further \$300,000 of exploration costs over the next three years to earn an additional 29% equity interest.

In June 2020, the Group executed an Asset Sale Agreement to acquire 100% of the Jubilee Gold Project (EL 006689). Under the agreement, and upon transfer of the tenement, the Group will be required to meet all exploration commitments for the tenement. The transfer of the tenement is currently being processed by the Victorian Department of Jobs, Precincts and Regions.

The Company currently has five exploration licence applications in process. If these licences are granted, there will be 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.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 18: RELATED PARTY DISCLOSURES

Subsidiaries

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

	Country of Incorporation	Entity Interest	
		2020	2019
		%	%
Black Range Metals Pty Ltd	Australia	100	100
Loddon Gold Pty Ltd	Australia	100	-
North Central Gold Exploration Pty Ltd	Australia	100	-
Tandarra Gold Pty Ltd	Australia	100	-
Western Victoria Gold Pty Ltd	Australia	100	-

Compensation of key management personnel by category:

	Consolidated	
	2020	2019
	\$	\$
Short term employee benefits	737,247	714,214
Post-employment benefits	83,952	76,895
Share-based payments	239,676	241,418
Long service leave expense	8,318	9,260
	<u>1,069,193</u>	<u>1,041,787</u>

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

NOTE 19: SHARE BASED PAYMENT PLANS

The Group has established the Navarre Minerals Limited Option Plan ("Option Plan") and the Navarre Minerals Limited Performance Rights Plan ("Performance Rights Plan"), both of which have been approved by shareholders at a general meeting, whereby the Group may, at the discretion of the Board of Directors, grant options over ordinary shares and performance rights over ordinary shares in the company to certain key management personnel of the Group. The options and performance rights are issued for nil consideration and are granted in accordance with performance guidelines established by the Remuneration and Nomination Committee.

In November 2019, 1,500,000 performance rights were issued to the Managing Director and in May 2020 a further 1,300,000 performance rights were issued to senior employees, pursuant to the Performance Rights Plan.

In addition to options issued under the Option Plan, the Group may also issue options to service providers as consideration for services provided to the Group.

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

2020

Grant date	Expiry date	Exercise price	Held at 1 July 2019	Options Granted	Options Exercised	Options Lapsed	Held at 30 June 2020
23/06/2015	31/12/2019	\$0.0400	50,000	-	50,000	-	-
22/02/2017	31/12/2021	\$0.0720	200,000	-	-	-	200,000
22/02/2017	31/12/2021	\$0.0900	200,000	-	-	-	200,000
29/01/2018	29/01/2023	\$0.1500	2,750,000	-	-	750,000	2,000,000
10/04/2018	10/04/2023	\$0.1500	5,400,000	-	-	750,000	4,650,000
06/06/2018	06/06/2021	\$0.1500	1,000,000	-	-	-	1,000,000
21/02/2019	21/02/2024	\$0.1200	2,100,000	-	-	400,000	1,700,000
17/05/2019	17/05/2024	\$0.1200	6,100,000	-	-	650,000	5,450,000
17/05/2019	17/05/2022	\$0.1313	4,000,000	-	-	-	4,000,000
			<u>21,800,000</u>	-	<u>50,000</u>	<u>2,550,000</u>	<u>19,200,000</u>
Weighted average exercise price			\$0.1338	\$0.0000	\$0.0400	\$0.1376	\$0.1335

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 19: SHARE BASED PAYMENT PLANS (cont.)

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

Grant date	Expiry date	Share price at grant date	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
18/11/2019	31/12/2022	\$0.105	-	-	-	\$0.1050
18/11/2019	31/12/2022	\$0.105	85%	0%	0.81%	\$0.0877
18/11/2019	31/12/2022	\$0.105	85%	0%	0.81%	\$0.0692
18/11/2019	31/12/2022	\$0.105	85%	0%	0.81%	\$0.0549
18/05/2020	30/06/2023	\$0.140	-	-	-	\$0.1400

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

Grant date	Expiry date	2020 Performance Rights	2019 Performance Rights
18/11/2019	31/12/2022	166,666	-

NOTE 20: AUDITOR'S REMUNERATION

	Consolidated 2020 \$	2019 \$
Amounts received or due and receivable by RSM Australia Partners for:		
Audit or review of the financial reports	27,100	26,600
Other audit services	-	-
	<u>27,100</u>	<u>26,600</u>

NOTE 21: PARENT ENTITY INFORMATION

	2020 \$	2019 \$
Information relating to Navarre Minerals Limited		
Current assets	7,031,809	6,334,977
Total assets	21,549,176	17,487,094
Current liabilities	(541,373)	(514,138)
Total liabilities	(543,732)	(515,572)
Issued capital	29,634,657	25,155,010
Share based payment reserve	672,749	521,068
Accumulated losses	(9,301,962)	(8,704,556)
Total shareholders' equity	21,005,444	16,971,522
(Loss) of the parent entity	(983,857)	(865,841)
Total comprehensive (loss) of the parent entity	(983,857)	(865,841)
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

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 22: EVENTS SUBSEQUENT TO BALANCE DATE

In July 2020, the Group raised \$8,000,000 (before transaction costs) through a share placement to sophisticated and professional investors, resulting in the issue of 64,000,000 ordinary shares at an issue price of \$0.125 per share.

On 1 September 2020, Non-executive Director, Mr Ian Holland, was appointed as joint Managing Director as part of a phased succession process which will see Mr Holland as sole Managing Director on 1 April 2021. As part of the Mr Holland's appointment, and subject to shareholder approval at the November 2020 Annual General Meeting, an LTI allocation of 1.5 million Performance Rights will be granted with vesting to occur against various share price milestones over 3 years.

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.

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DIRECTORS' DECLARATION

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

In the opinion of the Directors:

- (a) The financial statements and notes of Navarre Minerals Limited for the financial year ending 30 June 2020 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 2020.
 - (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 2020.

On behalf of the Board



G McDermott

Managing Director

Melbourne, 15 September 2020

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 subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2020, 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 2020 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.

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. We have determined the matter described below to be the key audit matter to be communicated in our report.

Key Audit Matters (Continued)

Key Audit Matter	How our audit addressed this matter
Carrying Value of Capitalised Exploration Expenditure Refer to Note 11 in the financial statements	
<p>The Group has capitalised exploration and evaluation expenditure, with a carrying value of \$15,297,618 as at 30 June 2020.</p> <p>Under AASB 6 <i>Exploration for and Evaluation of Mineral Resources</i>, 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.</p>	<p>Our audit procedures in relation to the carrying value of exploration and evaluation expenditure included:</p> <ul style="list-style-type: none"> • 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 at the reporting date, reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves; • enquiring with management and reviewing budgets and plans to assess whether active and significant operations are continuing in the specific areas of interest; • reviewing whether management has received any data which might cause them 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 the Directors have not resolved to discontinue activities in the specific areas of interest.

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 2020 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 2020.

In our opinion, the Remuneration Report of Navarre Minerals Limited for the year ended 30 June 2020, 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 AUSTRALIA PARTNERS



J S CROALL
Partner

Dated: 15 September 2020
Melbourne, Victoria

Navarre Minerals Limited

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ADDITIONAL SHAREHOLDER INFORMATION

The information set out below was compiled as at 11 September 2020.

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

542,442,151 fully paid ordinary shares are held by 3,291 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

19,000,000 unquoted options are held by 7 individual option holders.

There are no voting rights attached to these options.

(iii) Unquoted share performance rights on issue

2,800,000 unquoted options are held by 3 individual option holders.

There are no voting rights attached to these performance rights.

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

Ranges	Holders	Total Units	% IC
1 – 1000	126	12,005	0.000
1,001 – 5,000	289	1,162,040	0.210
5,001 – 10,000	571	4,692,603	0.870
10,001 – 100,000	1,714	71,668,169	13.210
>100,001	591	464,907,334	85.710
Totals	3,291	542,442,151	100.000

225 holders holding a total of 313,773 shares held less than a marketable parcel of ordinary shares.

3. Director Nomination

The Company will hold its Annual General Meeting of shareholders on 26 November 2020. The Company also advises that the Closing Date for receipt of nominations for the position of Director is **Friday, 9 October 2020**. Nominations must be received in writing no later than 5.00pm (Melbourne time) on this date at the Company's registered office.

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ADDITIONAL SHAREHOLDER INFORMATION

4. 20 Largest Shareholders

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

Shareholder	Number of shares	% Issued capital
Newmarket Gold NT Holdings Pty Ltd	47,981,303	8.845
VBS Exchange Pty Ltd	42,433,412	7.823
HSBC Custody Nominees	39,646,657	7.309
Dr Stephen Garth Nordstrom	38,000,000	7.005
Holdings associated with Kevin Wilson	13,606,085	2.508
Holdings associated with Geoff McDermott	12,978,568	2.393
Holdings associated with Colin Naylor	5,814,562	1.072
Spruzen Corporation Pty Ltd	5,800,000	1.069
Campbell Kitchener Hume & Associates Pty Ltd <C K H Superfund A/C>	5,600,000	1.032
Mr Howard Manly Dimond & Mrs Linda Margaret Doris Dimond <Howlin Super A/C>	5,190,000	0.957
Valleytech Instrumentation Pty Ltd	5,100,000	0.940
Citicorp Nominees Pty Limited	4,816,205	0.888
ESM Limited	4,225,000	0.779
Tattersfield Securities Limited	3,861,114	0.712
Cs Fourth Nominees Pty Limited <HSBC Cust Nom Au Ltd 11 A/C>	3,698,103	0.682
Yavern Creek Holdings Pty Ltd	3,040,000	0.560
Cospiqua Pty Ltd <The Millennium Mack No1 A/C>	2,795,000	0.515
Pe Group Holdings Pty Ltd	2,734,339	0.504
Mr Ralph Douglas Russell & Ms Ann Maree Hynes	2,459,915	0.454
Sandhurst Trustees Ltd <Collins St Value Fund A/C>	2,405,794	0.444
	252,186,057	46.491

5. Substantial Shareholders

The substantial holders were as follows:

Shareholder	No of shares	% Issued Capital
Newmarket Gold NT Holdings Pty Ltd	47,981,303	8.845
VBS Exchange Pty Ltd	42,433,412	7.823
1832 Asset Management L.P	38,881,830	7.168
Dr Stephen Garth Nordstrom	38,000,000	7.005

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ADDITIONAL SHAREHOLDER INFORMATION

TENEMENT INFORMATION (as at 11 September 2020)

Project	Tenement Details ^{1, 2}	Group Interest
Bendigo North		
Tandarra ³	RL 6660	49%
Western Victoria Copper Project		
Black Range	EL 4590	100%
Stavely ⁴	EL 5425	49%
Glenlyle	EL 5497	100%
Stawell Corridor		
Ararat	EL 5476	100%
Tatyoan	EL 5480	100%
Long Gully	EL 6525	100%
Westgate	EL 6526	100%
Hospital Hill	EL 6527	100%
Napoleon	EL 6528	100%
Snake Hill	ELA 6530	0%
Langi Logan	EL 6702	100%
Langi Logan West	EL 6745	100%
Margaret Gully	ELA 6843	0%
Mininera	EL 7125	100%
St Arnaud		
St Arnaud	EL 6556	100%
Lord Nelson	ELA 6819	0%
St Arnaud East	ELA 7431	0%
St Arnaud West	ELA 7436	0%
Jubilee Gold Project		
Jubilee ⁵	EL 006689	0%

Notes ¹ EL = Exploration Licence; ELA = Exploration Licence Application; RL = Retention Licence.

² All tenements are located in Victoria.

³ Catalyst Metals Ltd successfully completed all obligations 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).

⁴ Stavely Minerals Limited completed its obligations to earn a 51% interest and may earn a further 29% interest under an earn-in and joint venture agreement with Navarre.

⁵ Navarre purchased EL 006689 (Jubilee) and the transfer of the exploration licence is currently being processed by the Victorian Department of Jobs, Precincts and Regions.