Navarre Resources Pty Ltd

Relinquishment Report
EL 8823
Desertex Project

For The Period
8 March 1999 to 8 March 2005

1:250,000 SHEET: Green Swamp Well SE53-13
1:100,000 SHEET: Billiatt 5558, Wood 5458
AUTHOR: Andrew Beckwith
TENEMENT HOLDERS: AngloGold Ashanti Australia Ltd., (Navarre Resources Pty. Ltd)
DISTRIBUTION: DBIRD
Navarre Resources Pty Ltd
AngloGold Ashanti Australia Ltd.

A.F. Beckwith
October 2006
CONTENTS

1. Summary...................................................................................................................... 3
2. Introduction ............................................................................................................... 4
3. Location..................................................................................................................... 4
4. Tenure....................................................................................................................... 4
5. Geology .................................................................................................................... 5
6. Work completed during the period ........................................................................... 7
7. Environmental / Rehabilitation Report................................................................. 8

REFERENCES.................................................................................................................. 9

FIGURES.......................................................................................................................... 10

APPENDIX ONE.............................................................................................................. 13
1. Summary

EL 8823 was previously held by AngloGold Ashanti Australia Limited (AngloGold) and Newmont Gold Exploration Pty Ltd (Newmont) under the Desertex Joint Venture. In late 2004, Newmont withdrew from the joint venture, with 100% equity reverting to AngloGold. AngloGold subsequently relinquished 50% of the tenement on 8th March 2005 prior to the remaining portion of the tenement being acquired by Navarre Resources in late 2005. This report is submitted by Navarre Resources on behalf of the previous tenement holders and covers work completed prior to Navarre acquiring the tenement.

This tenement covers a portion of the under-explored Babylon Field, considered as a lateral equivalent to the Tennant Creek Inlier, albeit under Wiso Basin cover sediments. The area is considered prospective for Tennant Creek Style Iron Oxide Copper Gold mineralisation.

Work carried out over the relinquished portions of EL8823 includes two airborne surveys in 1999. The first survey comprises of an airborne geophysical survey and the second a colour photographic survey.

Results of the geophysical survey suggested the relinquished portions of EL8823 are less prospective for typical “Tennant Creek Style” Iron Oxide mineralisation. The photography shows the tenement area is dominated by extensive sand dunes development.
2. Introduction

EL 8823 was previously held by AngloGold Ashanti Australia Limited and Newmont Gold Exploration Pty Ltd under the Desertex Joint Venture. In late 2004, Newmont withdrew from the joint venture, with 100% equity reverting to AngloGold. AngloGold subsequently relinquished 50% of the tenement on 8th March 2005 prior to the remaining portion of the tenement being acquired by Navarre Resources in late 2005. This report is submitted by Navarre Resources on behalf of the previous tenement holders and covers work completed prior to Navarre acquiring the tenement.

The tenement covers a portion of the under-explored Babylon Field, considered as a lateral equivalent to the Tennant Creek Inlier, albeit under Wiso Basin cover sediments. The area is considered prospective for Tennant Creek Style Iron Oxide Copper Gold mineralisation.

3. Location

The tenement is located approximately 100 kilometres west south west of Tennant Creek in central Northern Territory. Access to the project is via the Stuart Highway 6 km south of Tenant Creek, then west along the Ngapamilnarnu Outstation gravel road for approximately 100 kilometres. Access within the project area is via local tracks however no actual tracks exist within the tenement area.

The tenement is located within Aboriginal free hold land and can only be accessed with permission of the Central Land Council (CLC).

4. Tenure

EL 8823 originally covered an area of 530km² within NT Portion 2844, Karlantijpa South Aboriginal Land Trust and NT Portion 2845 Karlantijpa North Aboriginal Land Trust. The application was lodged on the 6/7/1994 and consent to negotiate was given on the 29/11/1994.

EL 8823 was granted on the 8 March 1999 after the signing of an agreement with the Central Land Council (Babylon Deed of Terms & Conditions for Exploration) on the 8 December 1998. The original exploration licence covered an area of 164 graticular blocks with the retained portion covering the present 82 blocks (Fig 1).
5. Geology

Regional Geology

The Babylon Field covers an area on the poorly exposed southern margin of the Proterozoic Tennant Creek Block, central Tennant Creek Inlier, of the Northern Territory. The regional geological setting of the tenements is interpreted from rare outcrop, limited drill testing, geophysical surveys and information from the relatively well-exposed portions of the block to the north.

The Tennant Creek Block is bound to the north and south by the Proterozoic Tomkinson Creek and Davenport Provinces respectively. The eastern and western margins are the sedimentary successions of the Palaeozoic Georgina and Wiso Basins. The stratigraphic components of the Tennant Creek Block are multiply deformed and the regional metamorphic grade is lower greenschist facies.

The oldest exposed rocks in the Tennant Creek Inlier are the metasedimentary rocks of the Warramunga Formation. This succession is assigned a minimum depositional age of 1860 Ma, based on SHRIMP zircon dates. The basement to the depositional basin does not crop out, has not been intersection by drilling, and is inferred from the age of sediment provenance to be Proterozoic age (1900 Ma).

Northward thrusting, E-W trending tight folds and a penetrative axial plane cleavage characterise the first phase of regional deformation. This phase of deformation and the intrusion of the Warramunga Formation by voluminous porphyries and granitoids is assigned to the Barramundi Orogeny (1858 Ma to 1845 Ma).

Following deformation and uplift the volcanics and volcaniclastics of the Flynn Sub-Group were erupted (1845 Ma to 1827 Ma), with intrusion of porphyries and minor granitoids into the Warramunga Formation. A second phase of N-S shortening regional deformation characterised by E-W trending folds, a penetrative axial plane cleavage and reactivation of D1 faults preceded the deposition of the Hatches Creek Group and stratigraphic equivalents during the period 1820 Ma to 1785 Ma.

The Hatches Creek Group is composed of a succession of shallow marine and fluvialite sedimentary and volcanic rocks metamorphosed to lower greenschist facies. The southern margin of the Tennant Creek Block is in part defined by an unconformable contact with the Hatches Creek Group, but commonly this contact has been the focus of strain during deformation and is faulted.
Deformation of the Hatches Creek Group (1765Ma) is characterised by upright NW-SE trending fold axes and shows a trend of increasing strain (tightening of folds) on a regional scale moving to the south and west. This deformation has been identified in the northern Tennant Creek Block and folds of this trend are of potentially greater significance in the Babylon Field than the Tennant Creek Field. Late-stage granitoids and porphyries intruded the Warramunga Formation, the Flynn Sub-Group and the Hatches Creek Group at 1650-1712 Ma.

Extensive flat lying Phanerozoic cover unconformably overlies the Proterozoic basement. This cover has a westward thickening trend from less than 200m in the east to in excess of 200 metres in the west.

**Local Geology**

The NTGS regional geological interpretation does not recognise the presence of Warramunga Formation within the Babylon Field. However, characteristic Warramunga Formation metasedimentary facies are present in drill core and can be readily interpreted from aeromagnetic data. In addition, the metallogenic model that applies to the Tennant Creek Field and the presence of abundant ironstone alteration (with Au-Cu mineralisation) in the Babylon Field provides strong support for this interpretation.

The area of Babylon Field tenure is underlain by an estimated 980 sq kms of Warramunga Formation basement, or approximately 62% of the area of Warramunga Formation in the Tennant Creek Field. In addition to Warramunga Formation there are large areas of Flynn Subgroup, Hatches Creek Formation and Proterozoic Granitoids.

Since no drilling has been undertaken within the relinquished portion of EL 8823 the presence of prospective Warramunga stratigraphy can not be confirmed or discounted.
6. Work completed during the period

Airborne Geophysical Survey.
During 1999, Newmont as manager of the Desertex Joint Venture, contracted Kevron to fly an aerial geophysical survey.

The survey details include:
Area : Rover
Company Flown by: Kevron Geophysics Pty. Ltd.
Company Flown for: Normandy Gold Pty. Ltd.

AIRBORNE SURVEY EQUIPMENT:
Aircraft                      Rockwell Aerocommander 500S  VH-KAC
Magnetometer Tail                     Scintrex CS-2 Cesium Vapour
Magnetometer Resolution                                  0.001 nT
Magnetometer Compensation RMS AADCII operating in real time
Magnetometer Sample Interval 0.1 second (approx 7.0 metres)
Data Acquisition RMS DAS-8
Data Recording 3M TR-1 Minicartridge
Spectrometer Exploranium GR-820
Crystal Size 33.6L downward
Spectrometer Sample Interval 1.0 Second (approx 70 metres)
Flight Path Record VHS Colour Video System
GPS Navigation System Ashtech XII GPS Receiver

AIRBORNE SURVEY SPECIFICATIONS:
-------------------------------
Flight Line Direction : 000 - 180 degrees
Flight Line Separation : 100/200 metres
Tie Line Direction : 090 - 270 degrees
Tie Line Separation : 1000/2000 metres
Terrain Clearance : 40 metres (MTC)
Survey flown : March 1999
Kevron Geophysics job number : 1534

Data are in AMG Grid Zone 53 Datum AGD84
Processing and preliminary analysis of this survey data confirmed subtle magnetic anomalies considered as prospective exploration targets for Tennant Creek style Au-Cu mineralisation hosted by magnetite ironstone. The area relinquished within EL8823 is considered less prospective for this style of mineralisation due to a lack of typical “bullseye” magnetic targets.

Aerial Photography
Also in 1999, Newmont as manager, carried out a regional aerial photography survey, which included the area of EL8823.

The survey was carried out by the contractor Quasco Northern Surveys. This survey produced 1:25,000 precision located colour photography over the entire tenement with the aircraft flying at approximately 4,000m. Figure 2 shows the location of the photo centres relative to the relinquished tenement boundaries.

The aerial photography was reviewed together with public domain Landsat TM data and the before mentioned geophysical survey. The area of the tenement is dominated by Quaternary sand dunes.

7. Environmental / Rehabilitation Report

No environmental rehabilitation has occurred on the tenement area during the reporting period because no on-ground work has occurred within the relinquished portion of EL 8823.
REFERENCES


FIGURES
APPENDIX ONE

BIBLIOGRAPHIC DATA SHEET

REPORT NUMBER:

REPORT NAME: RELINQUISHMENT REPORT FOR EXPLORATION LICENCE 8823 FOR THE PERIOD FROM 8/3/1999 TO 8/3/2005, DESERTEX JOINT VENTURE

PROSPECT NAME(S): DESERTEX JOINT VENTURE

TENEMENT NUMBER: EL 8823

OWNER/JV PARTNERS: ANGLOGOLD AUSTRALASIA LTD

AGREEMENTS: DESERTEX JOINT VENTURE BABYLON AGREEMENT

COMMODITIES: GOLD, BASE METALS

TECTONIC UNITS: TENNANT CREEK INLIER, WISO BASIN

STRATIGRAPHIC UNITS: WARRAMUNGA GROUP, FLYNN SUB-GROUP, WISO BASIN SUCCESSION

1:250,000 MAP SHEET: GREEN SWAMP WELL SE53-13

1:100,000 MAP SHEET: BILLIAT 5558, WOOD 5458

KEYWORDS: RELINQUISHMENT, AIRBORNE GEOPHYSICAL SURVEY, AERIAL PHOTOGRAPHY