EL 8823
Rover Project – Tennant Creek Inlier
Annual Report

Reporting Period
8 March 2006 to 7 March 2007

May 2007

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SUMMARY

This report covers exploration completed on EL8823 during the reporting period 8 March 2006 to 7 March 2007.

The Rover Project is located approximately 100km west of the Tennant Creek township and comprises a number of granted tenements and applications that fall entirely within aboriginal freehold lands of the Karlantijpa South Land Trust. The project area is considered prospective for copper and gold and base metals mineralisation associated with Iron Oxide Copper Gold (IOCG) mineralising systems. The tenement area immediately to the east of EL8823 hosts two advanced IOCG mineralised systems and provides added prospectivity in the area.

Exploration activities completed during the reporting period include:

- Regional gravity survey over the eastern portions of the tenement area
- Processing of the gravity surveys

The on ground regional gravity survey was completed on a 500m station spacing x 1000m line spacing over the eastern portion of the tenement.

Processing of the new gravity data has highlighted a number of regional scale features. These features, including a number of significant gravity “highs” possibly reflecting dense alteration zones associated with the known mineralisation on the adjacent tenement or more dense rocks or topographic highs at the unconformity. Additional regional scale structural trends are also noted.

The initial review of the gravity data suggests significant structural information can be interpreted and in light of the encouraging drill results on the adjoining tenement, it is recommended the survey be extended to the west provided access and the daily production rates can be increased or a helicopter supported survey is contemplated.

The proposed 2007 programme is planned to include the acquisition of additional regional gravity stations progressively to the west. The estimated cost of the programme is $45,000.
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1. INTRODUCTION

The Rover Project is located approximately 100km west of the Tennant Creek township and comprises a number of granted tenements and applications that fall entirely within aboriginal freehold lands of the Karlantijpa South Land Trust. The project area is considered prospective for copper and gold and base metals mineralisation associated with Iron Oxide Copper Gold (IOCG) mineralising systems. The tenement area immediately to the east of EL8823 hosts two advanced IOCG mineralised systems and provides added prospectivity in the area.

The tenement was purchased from AngloGold Ashanti Australia Limited (AngloGold) in late 2005 and AngloGold retains an “option to joint venture” where the company may elect to earn back a 75% equity in a significant discovery.

Navarre has been granted permission to explore and potentially mine any economic minerals discovered upon the tenement, under the provisions of the Babylon Agreement, an agreement between Navarre and the Central Land Council as the representative body for the traditional aboriginal community who own the lands.

2. LOCATION

The Rover Project is located approximately 100km west of the Tennant Creek township and comprises a number of granted tenements including EL8823 and various applications that fall entirely within aboriginal freehold lands of the Karlantijpa South Land Trust.

Access to the project is via the Stuart Highway 6 km south of Tennant Creek, then west along the Ngapamilarnu Outstation gravel road for approximately 100 kilometres (Figure 1). Access within the project area is via local exploration tracks on the adjacent tenement EL8994 which were recently upgraded from earlier exploration some 25 years previous. No access tracks occur within EL8823.
3. TENURE

EL 8823 comprises an area of 82 graticular blocks or approximately 230 square kilometres (Figure 1) and was originally granted on 8 March 1999 to 7 March 2007 and has now been extended a further two years to 07 March 2009.

The tenement title is held by Navarre Resources Pty Ltd, a wholly owned subsidiary of Westgold Resources NL. The tenement was purchased from AngloGold Ashanti Australia Limited in late 2005 and AngloGold retains an “option to joint venture” where the company may elect to earn back a 75% equity in a significant discovery.

The tenement exploration and future mining is subject to the Babylon Agreement, an agreement between Navarre and the Central Land Council as the representative body for the traditional aboriginal community who own the lands.

4. GEOLOGY

4.1 Regional Geology

The Rover Project is underlain by the geological Babylon Field covering 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 (1900Ma).

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 are assigned to the Barramundi Orogeny (1858 Ma to 1845 Ma).

Following deformation and uplift the volcanics and volcanoclastics 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 100m in the east to in excess of 200 metres in the west.

4.2 Local Geology

The NTGS regional geological interpretation does not recognise the presence of Warramunga Formation within the Babylon Field. However, exploration geologists correlate meta-sedimentary rocks from drill core at the nearby Explorer 142 and the Rover 1 prospect (not within the tenement area) to characteristic Warramunga Formation that host the numerous copper gold deposits in the Tennant Creek area. The Warramunga Formation rocks do not outcrop in the region and are covered by flat lying Cambrian siltstones, dolomitic siltstones and dolomites of the Wiso Basin. Detailed aeromagnetic data provides strong support that the Warramunga Formation sedimentary sequence extends beyond the known drilled prospects to cover an area of at least 1000km² and most likely represents a fold a thrust belt repeat of the Warramunga Formation of the Tennant Creek region.

In addition, the metallogenic model that applies to the Tennant Creek Field and the presence of abundant ironstone and extensive alteration and associated Cu-Au mineralisation provides added evidence that the rocks or the Babylon Field correlate to the Warramunga Formation of the Tennant Creek region.

4.3 Exploration History

The area was explored by Geopeko under EL 983 that was granted in February 1974 and relinquished in 1977. A high level aeromagnetic survey and a B.M.R. regional survey were conducted prior to the granting of EL 983. A low-level aeromagnetic survey was conducted by Geopeko in 1974 and covered a large area that included the present EL 8823. No discrete magnetic anomalies, resembling Tennant Creek type ironstone responses were identified. Analysis of the low-level aeromagnetic data indicated that the magnetic features were at depths of >300m (Bujtor, 1977).

The area east of EL 983 was covered by EL 981 (Geopeko) and was granted in February 1974 and relinquished in November 1977. Detailed computer modeling of the low level aeromagnetic data together with statistical analysis revealed that no discrete magnetite bodies will be found within EL 981 (Duck, 1977). From 1982 to 1983, Geopeko held EL 1286 but no drilling was carried out and only additional geological interpretation was conducted (Harbon, 1983).

During 1999 Newmont used the contractor Kevron to fly an aerial geophysical survey at variable 100m to 200m line spacing and a mean terrain clearance of 40m. Preliminary analysis of this survey data confirmed magnetic anomalies suitable for exploration targeting as Tennant Creek style Au-Cu mineralisation hosted by magnetite ironstone, with the historical prospect Explorer 142 being considered a high priority target.

A critical consideration to exploration of this tenement for Tennant Creek-style mineralisation is the depth to Proterozoic basement that is known to exceed 200m in drilled prospects within the tenement. To estimate depth to basement, Newmont using in-house proprietary algorithms modelled the AMAG data. The results of this modelling suggested that although
there were some areas of limited cover the overall depth to basement is in excess of 150m with some areas including cover in excess of 500m.

Aerial photography was completed over the Babylon (Rover) Project area which includes tenements EL 8921, 8994 and 8823 (Clifford, 1999). A total of 370 photographic frames covering 1570 km2 were taken by the contractor Quasco Northern Surveys. This program produced 1:25,000 precision located colour photography over the tenement with the aircraft flying at approximately 4,000m.

The aerial photography was reviewed together with Landsat TM data and Radiometric data. The area of the tenement is dominated by Quaternary sand dunes, with only the NE margin of the including probable exposure of lateratised Wiso Basin Succession lithofacies.

The aerial photography was reviewed together with Landsat TM data and Radiometric data. The south western area of the tenement is dominated by Quaternary sand dunes, while the central through to north eastern portion includes exposures of lateritised Wiso Basin Succession lithofacies and Quaternary sediments.

Until 2005, the tenement was held within the Desertex Joint Venture, a joint venture between AngloGold Ashanti Australia Limited and Newmont Mining. In early 2005, Newmont withdrew from the Desertex JV leaving AngloGold with 100% equity. AngloGold subsequently decided to divest the project and Navarre Resource successfully acquired the projects in November 2005.

During early 2006, Navarre successfully completed a helicopter supported heritage clearance of proposed work programmes through the Central Land Council as per the requirements of the agreement to exploration the region.

5. RESULTS

Exploration activities completed during the reporting period include:

- Regional gravity survey over the eastern portions of the tenement area
- Processing of the gravity surveys

5.1 Gravity Surveys

A precision ground based GPS-Gravity survey was carried out from 5 March to 19 April 2006 for Navarre Resources. A total of 128 new stations were completed in the programme on this tenement (Fig 2).

| Regional Survey | 500m station spacing, 1000m line spacing |

Gravity data was acquired using a Scintrex CG5 digital gravity meter, in conjunction with a LaCoste Romberg Gravity meter. Position and level data were obtained using Leica System 1200 units to produce precise-real-time-kinematic GPS locations. All data were acquired using vehicle-borne methods, in conjunction with foot-borne methods. The contractor was Daishsat Pty Ltd.

Gravity data was reduced using standard reductions on the ISOGAL84 gravity network. GPS data were reduced to MGA coordinates with levels expressed as metres above the Australian Height Datum.

All data is provided in the adjacent tenement’s 2007 Annual Report for EL8994.
6. RESULTS

6.1 Gravity

Processing of the new gravity data has highlighted a number of regional scale features. These features, including a number of significant gravity “highs” possibly reflecting dense alteration zones associated with the known mineralisation on the adjacent tenement or more dense rocks or topographic highs at the unconformity. Additional regional scale structural trends are also noted.

The gravity survey was put on hold due to poor access at the time due to rain and low acquisition rate per day. Extensions to the surveyed area are considered for the 2007 field season.

7. ENVIRONMENTAL / REHABILITATION REPORT

No environmental rehabilitation has occurred during the reporting period as the gravity survey was completed by a single light 4WD vehicle.
8. CONCLUSION AND RECOMMENDATIONS

The initial review of the gravity data suggests significant structural information can be interpreted and in light of the encouraging drill results on the adjoining tenement, it is recommended the survey be extended to the west provided access and the daily production rates can be increased or a helicopter supported survey is contemplated.

The construction of an access track will need to be completed should any drill targets be defined.

The proposed programme is planned to include:

- Gravity survey 14 days survey time
- Gravity processing and interpretation 3 days
- Access surveys meetings
- Track establishment subject to approval 7 days
- Total proposed programme $45,000

9. REFERENCES


Appendix 1

BIBLIOGRAPHIC DATA SHEET

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