

## TRANSFORMATIONAL ACQUISITION OF THE MT CARLTON OPERATIONS AND EQUITY RAISING

**NAVARRE IMMEDIATELY TRANSFORMS TO GOLD PRODUCER THROUGH ACQUISITION OF AN  
ESTABLISHED OPERATION WITH A LONG PRODUCTION AND CASHFLOW TRACK RECORD**

**Not for release to US wire services or distribution in the United States**

- Transformational purchase of the fully operational, low cost Mt Carlton Gold Mine that instantly transforms Navarre into a self-funded gold producer with premier exploration assets across Victoria and Queensland.
- Acquisition includes a highly prospective tenement package covering approximately 815 square kilometres, which Navarre intends to aggressively explore, leveraging its expertise in gold exploration.
- Highly attractive acquisition metrics with up-front consideration of A\$40 million (comprising up to A\$20.4 million worth of Navarre shares<sup>1</sup>, with the balance in cash)<sup>2</sup> implying a payback period for this up-front consideration of approximately 9 months<sup>3</sup>.
- Prudent and attractive acquisition price and consideration structure demonstrates financial discipline to establish a self-funding asset, with contingent payments realised only in the event of material future success.
- The acquisition of non-core assets from larger-scale producers is a well-trodden path for junior mining companies to grow and add value for shareholders, with a more bespoke approach to capital allocation through exploration.
- Mt Carlton will become a cornerstone asset with clearly identified near mine and greenfield exploration upside for Navarre to leverage its expertise in gold exploration to underpin future mine life extension and potential expansion.
- Equity investment by Evolution demonstrates strong support for Navarre and the rationale for the Transaction, and conviction in the future upside of the asset under a more tailored approach to reinvestment.

<sup>1</sup> The total number of ordinary shares to be issued to Evolution will be subject to potential scale back to a minimum investment of A\$10 million and is not to exceed 19.9% of the post-Placement issued share capital of Navarre. The ordinary shares to be issued to Evolution are incremental to New Shares to be issued under the Placement

<sup>2</sup> Upfront cash component of consideration will be sized between A\$19.6-30.0 million subject to the potential scale back of the Evolution subscription amount (subject to a minimum Evolution investment of A\$10 million)

<sup>3</sup> Illustrative payback period based on the maximum upfront A\$30 million cash component of the total upfront consideration of A\$40 million, and Mt Carlton Operations net mine cash flow based on the current FY2022 mine plan for the Mt Carlton Operations, assuming spot pricing for gold of A\$2,425/oz as at 1 October 2021. Net mine cash flow is defined as operating mine cash flow less sustaining and major capital expenditures. See Evolution's ASX Release dated 19 August 2021 entitled "FY21 Financial Results Presentation". Note, under the Transaction, Mt Carlton Operations economics accrue to Navarre from 1 October 2021

Navarre Minerals Limited (ASX: NML) (**Navarre** or the **Company**) is pleased to announce that it has entered into a binding asset sale agreement (**Asset Sale Agreement**) under which Navarre, via its 100% owned subsidiary Navarre Minerals Queensland Pty Ltd (**Navarre Minerals Queensland**), will acquire the Mt Carlton Gold Mine (**Mt Carlton**) and Crush Creek project (**Crush Creek**), located in Queensland, Australia (collectively, the **Mt Carlton Operations**) from Conquest Mining Pty Limited, a 100% owned subsidiary of Evolution Mining Limited (**Evolution**) (the **Transaction**).

The Mt Carlton Operations is an open pit and underground gold mining operation, located approximately 150 kilometres south of Townsville, Queensland with a proven operational track record, producing ~0.7 Moz of gold since being commissioned in 2013.

The total acquisition price of the Transaction is up to A\$90 million (**Consideration**), comprising:

- A\$40 million in upfront consideration through a combination of cash and shares to be paid at the time of completion. Payment of up to A\$20.4 million will be satisfied by Navarre issuing ordinary shares to Evolution<sup>4</sup>, calculated by reference to the issue price per share under the Placement (described below), with the remainder of the upfront consideration paid in cash;
- A\$25 million in additional cash consideration payable upon the realisation of certain agreed recoverable gold production milestones from future development of Crush Creek; and
- Up to A\$25 million in additional cash consideration payable if the average spot gold price in any quarter exceeds the equivalent of A\$2,250/oz and linked to the future production from the Mt Carlton Operations, with payments commencing 1 July 2023.

Navarre intends to raise up to A\$40 million through a fully underwritten<sup>5</sup> conditional placement to new and existing investors (**Placement**)<sup>6</sup> with the use of Placement proceeds primarily to fund the upfront consideration of the Transaction and associated transaction costs.

Navarre Managing Director, Ian Holland, has committed to subscribe for A\$1 million shares in Navarre under the Placement, subject to shareholder approval under ASX Listing Rule 10.11.

Evolution has committed to subscribe for up to A\$20.4 million worth of ordinary shares in Navarre (detailed below) as partial satisfaction of the upfront Transaction Consideration<sup>7</sup>. Navarre welcomes this subscription and show of support by Evolution.

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<sup>4</sup> Refer to footnote 1 above

<sup>5</sup> Subject to the terms and conditions of an underwriting agreement entered into between Navarre, RBC Capital Markets (ACN 076 940 880) and Canaccord Genuity (Australia) Limited (ACN 075 071 466)

<sup>6</sup> The Placement will be sized between A\$29.6-40.0 million subject to the potential scale back of the Evolution subscription amount (subject to a minimum Evolution investment of A\$10 million). If the Transaction doesn't complete, Navarre will need to consider alternative uses for, or ways to return, the proceeds raised from the Placement. See further the 'Key Risks' section of Navarre's accompanying Investor Presentation released on the ASX on Tuesday, 5 October 2021

<sup>7</sup> No cash proceeds will be received through the issuance of the shares to Evolution as such issuance is being made as partial satisfaction of the upfront Transaction Consideration. Refer to footnote 4 above and accompanying text

Navarre Managing Director, Ian Holland said:

*“We are proud to announce this truly transformational transaction for Navarre and our shareholders. Mt Carlton is a proven, high-margin operation and an attractive vehicle for Navarre to transition from gold exploration company to producer – particularly given the Mt Carlton Operations’ successful history of production and its potential for significant mine life extension.*

*Under the Transaction, Navarre will inherit a well-established operation and a highly experienced site operating team and workforce which we are confident will fit in with Navarre’s own culture and focus on potential for further discovery and resource addition.*

*We also welcome Evolution’s strong support for the Navarre team and longer term potential of the Mt Carlton Operations, as evidenced by their agreement to subscribe for Navarre shares in connection with the Transaction.*

*Despite Navarre’s size, the Company aspires to reflect the best values of larger companies, such as Evolution. To this end, Navarre will seek to deliver to the high watermark of asset stewardship, ESG and community relations set by Evolution at Mt Carlton.”*

The Transaction is consistent with several of Navarre’s previously stated goals:

1. To transition from mineral explorer to become a significant Australian gold producer;
2. To generate strong cashflows to finance resource growth through exploration success; and
3. To continue to examine transformational opportunities to grow the business.

Completion of the Transaction is subject to customary closing conditions including Navarre obtaining shareholder approval to conduct the Placement and to issue shares to Evolution under ASX Listing Rule 7.1. Shareholder approval will be required for the Placement as it exceeds Navarre’s current Placement capacity under ASX Listing Rules 7.1 and 7.1A.

## MT CARLTON OPERATIONS OVERVIEW

The Mt Carlton Operations is located approximately 150 kilometres south of Townsville, Queensland and was originally developed by Evolution and commissioned in 2013. The Mt Carlton Operations comprise an open pit and underground mine, and a ~950ktpa processing plant situated on a tenement package of approximately 815 square kilometres.

The Mt Carlton Operations represents an established operation with a long operational track record and a proven history of reserve replacement.

Future mining operations at Mt Carlton will be supplemented by the nearby Crush Creek deposit, which hosts an initial high grade resource containing 126koz Au at 3.5g/t<sup>8</sup> delineated from only 9 months of concentrated drilling. This asset was acquired by Evolution more recently in late 2020<sup>9</sup> and is included as part of the Transaction.

In the 2021 financial year, the Mt Carlton Operations produced 58,371 ounces of gold at an All-in Sustaining Cost (AISC) of A\$1,937 per ounce, including A\$19.6 million of net mine cash flow in the fourth quarter alone. The Mt Carlton Operations is expected to produce 45,000-50,000 ounces of gold in the 2022 financial year at an AISC of A\$1,650-1,700 per ounce<sup>10</sup>, with economic benefits accruing to Navarre from 1 October 2021.

As at 31 December 2020, the Mt Carlton Operations had a JORC Mineral Resources estimate of 9.53Mt at 1.26g/t for 387koz of gold, and JORC Ore Reserves estimate of 6.43Mt at 0.81g/t for 168koz of gold<sup>11</sup>.

## ACQUISITION FUNDING

The A\$40 million upfront component of the total acquisition price will be funded through:

- A fully underwritten<sup>12</sup> Placement of up to A\$40 million<sup>13</sup>, representing up to ~533 million shares (**New Shares**), to new and existing investors at A\$0.075 per New Share (**Placement Price**); plus
- The issue of up to A\$20.4 million worth of shares (calculated by reference to the Placement Price) to Evolution<sup>14</sup>. This amount will be scaled back (subject to a minimum investment from Evolution of A\$10 million) such that the total amount to be raised is A\$50 million.

Navarre intends to apply the balance of any proceeds from the Placement not used for the purposes of the upfront consideration of the Transaction towards the associated transaction costs and general corporate purposes.

RBC Capital Markets and Canaccord Genuity are acting as joint lead managers, bookrunners and underwriters to the Placement.

<sup>8</sup> This information underpins the Inferred Mineral Resources estimate for Crush Creek reported by Evolution in the ASX Release dated 17 February 2021 entitled "Annual Mineral Resources and Ore Reserves Statement". Also refer to the JORC Code 2012 and ASX Listing Rules compliance statements and Competent Person statements on pages 35 and 37, and the 'Key Risks' section of Navarre's accompanying Investor Presentation released on the ASX on Tuesday, 5 October 2021, for further detail

<sup>9</sup> Evolution entered into an earn-in agreement with Basin Gold Pty Ltd in respect of Crush Creek in September 2019. Following the completion of the initial earn-in by Evolution for a 70% interest, Evolution exercised its right to acquire the remaining 30% of Crush Creek (for a total 100% interest). Basin Gold retains a 10% Net Profits interest on any gold production in excess of 100koz from Crush Creek. For more information, refer to Evolution's ASX Release dated 10 December 2020 entitled "Evolution Acquires 100% of Crush Creek"

<sup>10</sup> FY2022 production and AISC based on guidance per Evolution ASX Release dated 19 August 2021 entitled "FY21 Financial Results Presentation". Note, under the Transaction, Mt Carlton Operations economics accrue to Navarre from 1 October 2021

<sup>11</sup> Extracted from Evolution's ASX Release dated 17 February 2021 entitled "Annual Mineral Resources and Ore Reserves Statement". Also refer to Evolution's ASX Releases dated 12 February 2020 entitled "Annual Mineral Resources and Ore Reserves Statement" and dated 19 June 2020 entitled "Mt Carlton Update"

<sup>12</sup> Refer to footnote 5 above

<sup>13</sup> Refer to footnote 6 above

<sup>14</sup> Refer to footnotes 1 and 7 above

The Placement Price of A\$0.075 per New Share represents a:

- 18.5% discount to Navarre’s last traded price of A\$0.092 per share as at 4 October 2021, being the last trading day prior to announcement of the Placement; and
- 24.0% discount to Navarre’s 5 day volume weighted average price of A\$0.099 per share as at 4 October 2021.

Evolution has agreed to hold A\$10 million worth of Navarre shares issued to it in accordance with the following escrow arrangements:

- Evolution will not sell any of those Navarre shares for 6 months from the date the shares are issued (the **Issue Date**);
- Evolution will not sell more than 50% of those Navarre shares between 6 and 12 months from the Issue Date;
- The escrow arrangement expires 12 months from the Issue Date; and
- The escrow is lifted in the event of a change of control transaction emerging for Navarre, or if the Navarre share price increases by 100% or more from the Placement Price.

The shares issued under the Placement and to Evolution will rank pari passu with Navarre’s existing shares.

#### TIMETABLE FOR THE PLACEMENT AND NEXT STEPS

The proposed timetable for conducting the Placement is as follows:

Event	Date (AEST)
Trading Halt (Pre-market Open)	Tuesday, 5 October 2021
Announcement of Transaction and Placement, and Bookbuild in Respect of Placement Opens	Tuesday, 5 October 2021
Bookbuild in Respect of Placement Closes	Wednesday, 6 October 2021
Trading Halt Lifted (Pre-market Open) – Trading Resumes on the ASX	Thursday, 7 October 2021
Navarre Announces Results of Placement	Thursday, 7 October 2021
Despatch of Notice of Meeting to Shareholders	Wednesday, 13 October 2021
Navarre Shareholder EGM to Approve Placement, Issue of Shares to Evolution and Ian Holland’s Participation in the Placement	Monday, 15 November 2021
Settlement of New Shares Issued Under the Placement	Thursday, 18 November 2021
Allotment of New Shares Issued Under the Placement	Friday, 19 November 2021
New Shares Commence Trading	Friday, 19 November 2021

The above timetable is indicative only and may be subject to change. Subject to the Corporations Act 2001 (Cth), the ASX Listing Rules and other applicable laws, Navarre, in consultation with the underwriters, reserves the right to amend any or all of these dates and times without notice.

## INVESTOR PRESENTATION

Additional information regarding the Transaction and the Placement is outlined in the accompanying investor presentation.

## NAVARRE'S ADVISORS

RBC Capital Markets is acting as financial advisor to Navarre in respect of the Transaction. Additionally, RBC Capital Markets has been appointed alongside Canaccord Genuity to act as joint lead managers, bookrunners and underwriters in relation to the Placement. King & Wood Mallesons is acting as Navarre's legal counsel in respect of the Transaction and Placement.

This announcement has been approved for release by the Board of Directors of Navarre Minerals Limited.

– ENDS –

For further information, please visit [www.navarre.com.au](http://www.navarre.com.au) or contact:

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## IMPORTANT NOTICE

This announcement does not and does not purport to contain all information necessary to make an investment decision, is not intended as investment or financial advice (nor tax, accounting or legal advice), must not be relied upon as such and does not and will not form any part of any contract or commitment for the acquisition of New Shares. Any decision to buy or sell New Shares, securities or other products should be made only after seeking appropriate financial advice. Before making any investment decision, you should consider the appropriateness of the information having regard to your own objectives, financial situation and needs, and seek appropriate professional advice from your stockbroker, solicitor, accountant or other independent and qualified professional adviser.

## FORWARD LOOKING STATEMENTS

This announcement contains certain “forward-looking statements”. Forward-looking statements can generally be identified by the use of forward-looking words such as “may”, “will”, “expect”, “intend”, “plan”, “estimate”, “anticipate”, “believe”, “continue”, “should”, “could”, “predict”, “objectives”, “outlook”, “guidance” or other similar words, and include statements regarding certain plans, strategies and objectives of management and expected future earnings and financial earnings and performance. Forward-looking statements, opinions and estimates provided in this announcement are based on assumptions and contingencies that are subject to change without notice and involve known and unknown risks, uncertainties and other factors, which are outside the control of Navarre and any of its officers, employees, agents or associates. This also includes statements about market and industry trends, which are based on interpretations of current market conditions. Actual results, performance or achievements may vary materially from any projections and forward-looking statements and the assumptions on which those statements are based. Investors are strongly cautioned not to place undue reliance on forward-looking statements, particularly in light of the current economic climate and the significant volatility, uncertainty and disruption caused by the COVID-19 pandemic. Forward-looking statements are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. These statements may assume the success of Navarre’s business strategies, the success of which may not be realised within the period for which the forward-looking statement may have been prepared, or at all. No representation or warranty, express or implied, is made as to the accuracy, likelihood of achievement or reasonableness of any forecasts, prospects, returns or statements in relation to future matters contained in this announcement. There is no certainty that mineral resources estimates will be converted to ore reserves. Inferred Mineral Resources are approximate estimates only and there is no certainty that they can be converted into Indicated Mineral Resources. Except as required by law or regulation (including the ASX Listing Rules), none of Navarre, its representatives or advisers undertakes any obligation to provide any additional or updated information whether as a result of a change in expectations or assumptions, new information, future events or results or otherwise. Indications of, and guidance or outlook on, future earnings or financial position or performance are also forward-looking statements.

## NON-IFRS/NON-GAAP FINANCIAL INFORMATION

Unless otherwise stated, or as the context requires, all figures in this announcement are in Australian dollars. Certain financial information and measures included in this announcement may be (i) “non-IFRS financial information” under ASIC Regulatory Guide 230: “Disclosing non-IFRS financial information” and (ii) “non-GAAP financial measures” under Regulation G issued by the U.S. Securities and Exchange Commission (**SEC**), and are not recognised under Australian Accounting Standards (**AAS**) and International Financial Reporting Standards (**IFRS**). Therefore, the non-IFRS/non-GAAP financial information may not be comparable to similarly titled measures presented by other entities and should not be construed as an alternative to other financial measures determined in accordance with AAS or IFRS. Navarre believes these non-IFRS/non-GAAP financial measures provide useful information to investors in measuring the financial performance and condition of its business. However, investors should note that the non-IFRS/non-GAAP financial measures do not have standardised meanings prescribed by AAS or IFRS. Investors are therefore cautioned to not place undue reliance on any non-IFRS/non-GAAP financial information included in this announcement.

A number of figures, amounts, percentages, estimates, calculations of value and fractions in this announcement are subject to the effect of rounding. Accordingly, the precise calculation of these figures may differ from the figures set out in this announcement.

## NOT AN OFFER IN THE UNITED STATES

This announcement has been prepared for publication in Australia and may not be released to US wire services or distributed in the United States. This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or any other jurisdiction. Any securities described in this announcement have not been, and will not be, registered under the US Securities Act of 1933 and may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration of the US Securities Act and applicable US state securities laws.

## ABOUT NAVARRE MINERALS LIMITED

Navarre Minerals Limited (ASX: NML) is an advanced gold exploration company focused on discovering and developing large, long-life and high-grade gold deposits in underexplored areas of Victoria’s premier gold districts (Figure 1).

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

Within this Project, the Company’s focus is growing the recently reported maiden Mineral Resource on the margins of the Irvine basalt dome (Resolution and Adventure prospects) and advancing the high-grade gold discovery at Langi Logan. These projects are situated 20 and 40 kilometres respectively south of the operating, five-million-ounce Magdala Gold Mine.

The Company is searching for high-grade gold at its St Arnaud Gold Project. Recent drilling has identified gold mineralisation under shallow cover, up to 5 kilometres north from the nearest historical mine workings, which the Company believes may be an extension of the 400,000-ounce St Arnaud Goldfield.

The high-grade Tandarra Gold Project is 50 kilometres northwest of Kirkland Lake Gold’s world-class Fosterville Gold Mine, and 40 kilometres north of the 22-million-ounce Bendigo Goldfield. Exploration at Tandarra, in Joint Venture with Catalyst Metals Limited (Navarre 49%), is targeting the next generation of gold deposits under shallow cover in the region.

At the Jubilee Gold Project, 25 kilometres southwest of LionGold’s Ballarat Gold Mine, the Company is undertaking a systematic exploration program targeting extensions and repetitions of historically mined transverse quartz reefs that have a similar structural setting to the high-grade Swan-Eagle system at Fosterville.

The Company is also targeting volcanic massive sulphide, epithermal and porphyry copper-gold deposits in the Stavely Arc volcanics. The project area captures multiple polymetallic targets in two project areas including Glenlyle and Stavely. The Stavely Project (EL 5425) is subject to a farm-in agreement by which Stavely Minerals Limited may earn an 80% interest by spending A\$450,000 over five years.

For further detail regarding Navarre’s current exploration projects, refer to pages 28 to 31 (inclusive) and page 37 of Navarre’s Investor Presentation released on the ASX on Tuesday, 5 October 2021 or visit [www.navarre.com.au](http://www.navarre.com.au)

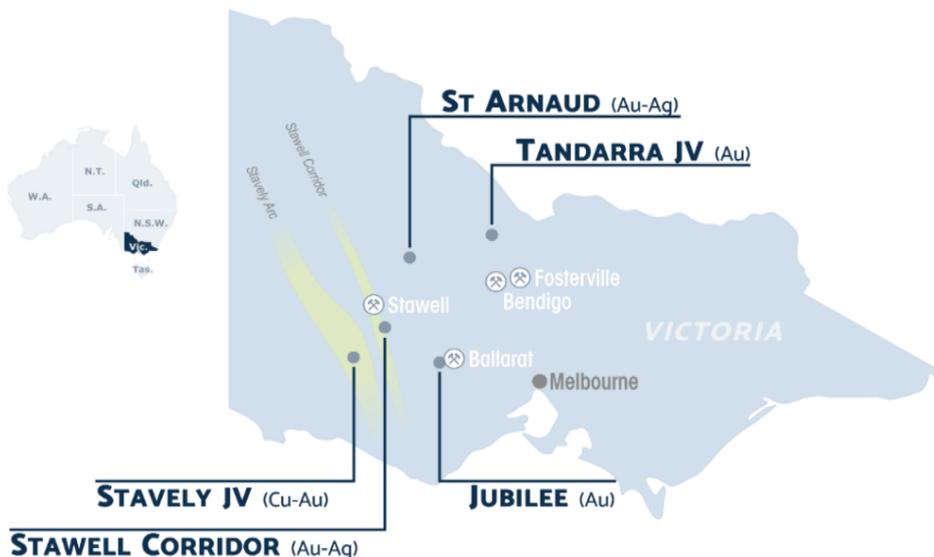


Figure 1: Location of Navarre’s premier mineral properties in Victoria

**APPENDIX A – SUMMARY OF TRANSACTION DOCUMENTS**

Topic	Summary
<p><b>Outline of Transaction</b></p>	<p>Navarre Minerals Queensland Pty Ltd (ACN 653 931 803) (<b>Navarre Queensland</b>), being a 100% subsidiary of Navarre, agrees to acquire the Mt Carlton Gold Mine (<b>Mt Carlton</b>) and Crush Creek Project (<b>Crush Creek</b>), located in Queensland, Australia (collectively, the <b>Mt Carlton Operations</b>) from Conquest Mining Pty Limited (ACN 009 232 277) (<b>Conquest Mining</b>), a 100% owned subsidiary of Evolution Mining Limited (ACN 084 669 036) (<b>Evolution</b>) (the <b>Transaction</b>).</p> <p>Completion of the Transaction (<b>Completion</b>) is expected to occur 5 business days after satisfaction of the Conditions Precedent (<b>Completion Date</b>).</p>
<p><b>Consideration</b></p>	<p>In summary, as consideration for the acquisition of the Mt Carlton Operations, Navarre Queensland has agreed to pay consideration of up to A\$90 million (<b>Consideration</b>), comprised of:</p> <ul style="list-style-type: none"> <li>• <b>Purchase Price:</b> A\$40 million in upfront consideration payable on Completion by Navarre Queensland, of which up to approximately A\$20.4 million will be satisfied by Navarre Minerals Limited (<b>Navarre</b>) issuing ordinary shares to Evolution at the same price as the shares issued under the Placement (however, the total number of ordinary shares to be issued to Evolution is not to exceed 19.9% of the post-Placement issued share capital of Navarre).</li> <li>• <b>Contingent Consideration:</b> up to A\$25 million in additional cash consideration payable upon the realisation of the following aggregate recoverable gold production milestones from Crush Creek: <ul style="list-style-type: none"> <li>○ A\$5 million at 50koz of gold production;</li> <li>○ A\$5 million at 100koz of gold production; and</li> <li>○ A\$15 million at 175koz of gold production.</li> </ul> </li> <li>• <b>Gold Price Linked Payments:</b> up to A\$25 million in additional cash consideration linked to the future gold price, with payments commencing 1 July 2023 and running for a maximum of 15 years, calculated in accordance with the following: <p style="margin-left: 40px;"><i>If the average spot gold price in any quarter exceeds the equivalent of A\$2,250/oz, 5% of the average spot gold price multiplied by the aggregate ounces produced from the Mt Carlton Operations and sold in that quarter.</i></p> </li> </ul> <p>As noted, as part of the Consideration, Navarre has agreed to issue and Evolution has agreed to acquire the fully paid ordinary shares in the capital of Navarre on the terms of the Subscription Agreement.</p>
<p><b>Summary of Transaction Documents</b></p>	<p>A short summary of the documents that will be executed to implement the Transaction follows:</p> <ul style="list-style-type: none"> <li>• <b>Asset Sale Agreement (ASA):</b> This agreement provides for the sale of the assets which comprise the Mt Carlton Operations, along with the underlying tenements, from Conquest Mining to Navarre Queensland, in return for payment of up to A\$90 million Consideration including (i) A\$40 million in upfront consideration payable on Completion by Navarre Queensland, of which up to approximately A\$20.4 million will be satisfied Navarre issuing ordinary shares to Evolution calculated by reference to the original offer price per share under the Placement (however, the total number of ordinary shares to be issued to Evolution is not to exceed 19.9% of the post-Placement issued share capital of Navarre), (ii) up to A\$25 million in Contingent Consideration and (iii) up to A\$25 million in Gold Price Linked Payments. The ASA requires (i) Evolution and Navarre to enter into the Subscription Agreement once the number of subscription shares to be issued to Evolution is ascertained and (ii) Navarre, Navarre Queensland and Conquest to enter into the Contingent Consideration Deed and the Gold Price Linked Payment Deed in respect of the Contingent Consideration and Gold Price Linked Payments respectively.</li> </ul> <p>Navarre Queensland has limited rights to seek the termination of the Asset Sale Agreement in the event of a material adverse change.</p>

Topic	Summary
	<p>In addition, this agreement also provides for Conquest Mining, Evolution or a related body corporate to use reasonable endeavours to provide a transitional environmental bond for the benefit of Navarre Queensland for a period of up to 24 months in the event that the Queensland Department of Resources (pursuant to Queensland environmental laws) requires Navarre Queensland to provide surety for the full estimated rehabilitation cost of the Mt Carlton Operations (currently estimated to be approximately A\$32 million).</p> <ul style="list-style-type: none"> <li> <b>Contingent Consideration Deed:</b> This deed obliges Navarre Queensland to pay to Conquest Mining the Contingent Consideration of up to A\$25 million in three tranches linked to realisation of each of the aggregate recoverable gold production milestones from Crush Creek as follows:           <ul style="list-style-type: none"> <li>A\$5 million upon aggregate recoverable gold production reaching 50,000 ounces of gold from Crush Creek;</li> <li>A\$5 million upon aggregate recoverable gold production reaching 100,000 ounces of gold from Crush Creek; and</li> <li>A\$15 million upon aggregate recoverable gold production reaching 175,000 ounces of gold from Crush Creek.</li> </ul> </li> </ul> <p>In consideration of Navarre Queensland entering into this deed, Navarre has agreed to guarantee Navarre Queensland's obligations under this deed and indemnify Conquest Mining against any liabilities incurred in connection with Navarre Queensland's performance of or default on its obligations under the deed.</p> <ul style="list-style-type: none"> <li> <b>Gold Price Linked Payment Deed:</b> This deed obliges Navarre Queensland to pay to Conquest Mining the Gold Linked Price Payments of up to A\$25 million, with payments commencing 1 July 2023 and running for a maximum of 15 years. The Gold Price Linked Payments are only payable where the average spot gold price for a quarter is greater than A\$2,250 per ounce. Where the average gold spot price is above this amount, Gold Price Linked Payments are calculated as follows:           <p style="text-align: center;"><i>Gold Price Linked Payment = P x 0.05 x Quarterly Gold Production</i></p> <p style="text-align: center;"><i>where:</i></p> <p style="text-align: center;"><i>P = the average of the gold spot price (as quoted on the London Metals Exchange and converted to Australian dollars) during a quarter.</i></p> <p style="text-align: center;"><i>Quarterly Gold Production = the aggregate recoverable gold produced during a quarter from the Mt Carlton Operations.</i></p> </li> </ul> <p>In consideration of Navarre Queensland entering into this deed, Navarre has agreed to guarantee Navarre's obligations under this deed and indemnify Conquest Mining against any liabilities incurred in connection with Navarre Queensland's performance of or default on its obligations under the deed.</p> <ul style="list-style-type: none"> <li> <b>Transitional Services Agreement:</b> Under the Asset Sale Agreement, prior to Completion the parties must negotiate in good faith and agree amendments to the form of Transitional Services Agreement included as a Schedule to the Asset Sale Agreement, and in relation to the services that will be performed pursuant to it. This agreement outlines the terms on which Conquest Mining and Evolution will provide, or procure the provision of, transitional services to assist with the orderly transition of the Mt Carlton Operations from Conquest Mining to Navarre Queensland for a period of up to 90 days after Completion, in consideration for the payment of a monthly fee. Under the Asset Sale Agreement, it is agreed that the total value of the services will not exceed (i) A\$150,000 per calendar month or (ii) A\$750,000 in aggregate. Entry into this agreement is a Completion deliverable under the Asset Sale Agreement.           </li> <li> <b>General Security Deed:</b> This deed is only required to be entered into in the event that Conquest Mining, Evolution or a related body corporate provide the transitional environmental bond contemplated as being provided in the Asset Sale Agreement. Under this deed, Navarre Queensland agrees to grant to Conquest           </li> </ul>

Topic	Summary
	<p>Mining and Evolution a security interest in Navarre Queensland's present and after-acquired property to secure the repayment of any transitional environmental surety that Conquest Mining, Evolution or a related body corporate provides to Navarre Queensland under the Asset Sale Agreement. Under the ASA, Navarre is required to seek and obtain shareholder approval prior to the entry into this deed. In the event that Navarre is unable to obtain shareholder approval, Navarre Queensland will effectively be required to implement its own financial surety for the benefit of the State of Queensland.</p> <ul style="list-style-type: none"> <li>• <b>Mining Mortgages:</b> Navarre Queensland will enter into two Mining Mortgages under which Navarre Queensland mortgages its right, title and interest from time to time in and to the relevant mining tenements to Conquest Mining. Each mortgage is given to secure payment by Navarre Queensland of amounts owing under or in connection with its obligations under the Contingent Consideration Deed and Gold Price Linked Payment Deed (as applicable) and relate to the tenements to which the Contingent Consideration Deed or Gold Price Linked Payment Deed (as applicable) apply.</li> <li>• <b>Subscription Agreement:</b> Navarre and Evolution will enter into a subscription agreement under which Navarre will issue up to approximately A\$20.4 million in Navarre Shares to Evolution calculated by reference to the original offer price per share under the Placement (however, the total number of ordinary shares to be issued to Evolution is not to exceed 19.9% of the post-Placement issued share capital of Navarre).</li> </ul>
Conditions Precedent	<p><b>Asset Sale Agreement:</b> Completion of the Asset Sale Agreement is subject to the following Conditions Precedent:</p> <ul style="list-style-type: none"> <li>• <b>(Indicative approval to transfer of tenements)</b> Minister giving indicative approval to the transfer of the Tenements and any conditions specified in such indicative approval being satisfactory to Navarre Queensland and Conquest Mining (each acting reasonably);</li> <li>• <b>(Shareholder approval)</b> Navarre obtaining shareholder approval for the Placement of ordinary shares in Navarre's capital to raise sufficient capital to proceed to Completion; and</li> <li>• <b>(Caveator consent)</b> consent of relevant caveat holders is provided (by way of registrable consent forms) to the indicative approval and transfer of the relevant tenements and lodgement of the proposed Mining Mortgages.</li> </ul>
Pre-Completion Restrictions	<p>The Asset Sale Agreement contains typical restrictions and prohibitions on Evolution and Conquest Mining in respect of the operation of the Mt Carlton Operations between the agreement date and the Completion Date. Prior to effecting transfer of legal and beneficial title in the Mt Carlton Operations after Completion, there are also certain obligations, restrictions and prohibitions on Evolution and Conquest Mining in respect of the Mt Carlton Operations until such time that Navarre Queensland has legal title.</p>
Warranties	<p>The Asset Sale Agreement contains a number of warranties given by Conquest Mining and Navarre Queensland to each other which are typical for the nature of the Transaction.</p>
Seller Indemnities	<p><b>Asset Sale Agreement</b></p> <p>The Asset Sale Agreement contains the following seller indemnities:</p> <ul style="list-style-type: none"> <li>• <b>Private Royalty indemnity:</b> Conquest Mining indemnifies Navarre Queensland against liability or royalty payments incurred by Navarre Queensland in respect of certain historical private royalties; and</li> <li>• <b>Third Party Claims indemnity:</b> Conquest Mining indemnifies Navarre Queensland against all costs reasonably incurred by Navarre Queensland in respect of action taken by Navarre Queensland at the direction of Conquest Mining in respect of an actual or potential third party claim after Completion.</li> </ul>

**APPENDIX B – SUMMARY OF THE KEY TERMS OF THE UNDERWRITING AGREEMENT**

Topic	Summary
<p><b>Overview</b></p>	<p>The Placement is underwritten pursuant to the Underwriting Agreement between Navarre and the Joint Lead Managers (RBC Capital Markets and Canaccord Genuity (Australia) Limited).</p> <p>Under the terms of the Underwriting Agreement, the Joint Lead Managers have agreed to fully underwrite the issue of all New Shares offered under the Placement subject to the terms and conditions of that agreement. In particular, if either:</p> <ol style="list-style-type: none"> <li>a) The Managing Director’s proposed participation in the Placement is not approved by Navarre shareholders at Navarre’s EGM in accordance with ASX Listing Rule 10.11; or</li> <li>b) Evolution (or a Related Body Corporate) has committed to subscribe for more than A\$10 million worth of Navarre shares pursuant to the conditional subscription agreement between it and Navarre (see the definition of “Subscription Agreement” in Appendix A above),</li> </ol> <p>then the Joint Lead Managers’ obligation to underwrite the Placement will be reduced by that number of Navarre shares allocated to the Managing Director under the Placement or issued to Evolution under the Subscription Agreement (as applicable).</p> <p>The Underwriting Agreement is subject to certain customary terms and conditions, including conditions precedent and termination rights. In particular, the Joint Lead Managers may terminate the Underwriting Agreement in the event that the Asset Sale Agreement is terminated and the Transaction does not proceed.</p>
<p><b>Termination Rights</b></p>	<p>Each Joint Lead Manager has the right to terminate the Underwriting Agreement without cost or liability by notice to Navarre if certain events occur at any time before 4.00pm on the settlement date for the Placement (Thursday, 18 November 2021), or during any other specified period, including (without limitation):</p> <ul style="list-style-type: none"> <li>• There is a delay of more than one business day for an event in the timetable for the Placement without consent from the Joint Lead Managers;</li> <li>• Navarre alters its capital structure without the Joint Lead Manager’s consent (other than as contemplated under the Underwriting Agreement);</li> <li>• A specified insolvency event occurs in relation to Navarre or any of its group members;</li> <li>• There is a material adverse effect when compared to the position disclosed in any document issued or published by or on behalf of Navarre in respect of the Placement (<b>Placement Documents</b>);</li> <li>• Navarre or any of its directors or officers (as defined in the Corporations Act 2001 (Cth) (<b>Corporations Act</b>)) engage in fraudulent conduct or activity in connection with the Placement;</li> <li>• There are not, or there ceases to be, reasonable grounds for any forecast, expression of opinion, belief, intention or expectation disclosed by Navarre in the Placement Documents;</li> <li>• A material statement contained in the Placement Documents, or the Joint Lead Managers become aware that such a statement was at the time it was made, false, misleading or deceptive (including by omission);</li> </ul>

Topic	Summary
	<ul style="list-style-type: none"> <li>• ASIC issues, or threatens in writing to issue proceedings or commences any public, formal inquiry or investigation in relation to the Placement that is not withdrawn within 2 Business Days;</li> <li>• ASX makes an official statement or indicates to Navarre or the Joint Lead Managers that existing Navarre Shares will be removed from the official list or suspended from quotation, or that quotation of all the Placement Shares will be not be granted by ASX or such suspension from quotation occurs which is not withdrawn within 2 Business Days; or</li> <li>• At market close on the date of the Placement’s bookbuild, the S&amp;P/ASX All Ordinaries Gold Index has fallen by 10% or more below its level at market close on the trading day immediately prior to the date of the Underwriting Agreement.</li> </ul> <p>The Underwriting Agreement also contains a number of restructuring events. If any of the restructuring events occur before 4.00pm on the settlement date for the Placement (Thursday, 18 November 2021), Navarre and the Joint Lead Managers must work together in good faith to determine restructured deal terms (for example a new issue price or revised timetable for the Placement) within a specified time, in order to implement the Placement for the underwritten amount. If a revised structure for the funding cannot be agreed, then any Joint Lead Manager may terminate the Underwriting Agreement by notice to Navarre, provided that in the reasonable and bona fide opinion of the Joint Lead Manager, the relevant event:</p> <ul style="list-style-type: none"> <li>• Has, or is likely to have, a material adverse effect on the marketing, outcome, success or settlement of the Placement, the likely price at which the New Shares will trade on the ASX or the willingness of investors to subscribe for New Shares;</li> <li>• Has given, or would be likely to give, rise to a liability for the Joint Lead Manager under an applicable law; or</li> <li>• Has given, or would be likely to give, rise to a contravention by the Joint Lead Manager or the Joint Lead Manager being involved in a contravention of the Corporations Act or any other applicable law.</li> </ul> <p>The restructure events include, without limitation:</p> <ul style="list-style-type: none"> <li>• Navarre is in breach of the Underwriting Agreement or any of its representations or warranties made under the Underwriting Agreement were not true or correct when made or taken to have been made;</li> <li>• Navarre or any of its group members breaches or defaults under a financing arrangement or any related documentation, the effect of which has or is likely to have a material adverse effect (including the acceleration of payments under the debt or financing arrangement) and that breach or default is not waived by the relevant financier(s);</li> <li>• There is a change in the chief executive officer, chief financial officer or the board of directors of Navarre;</li> <li>• Information provided by, or on behalf of, Navarre to the Joint Lead Managers for due diligence investigations is or becomes false or misleading or deceptive or likely to mislead or deceive (including by omission);</li> </ul>

Topic	Summary
	<ul style="list-style-type: none"> <li>• A statement contained in a Placement Document is, or was at the time it was made, false or misleading or deceptive, or likely to mislead or deceive (including by omission);</li> <li>• A government agency commences (or announces that it intends to commence) any public action against Navarre, any of its group members or a officers that is not withdrawn within 2 Business Days;</li> <li>• There is a change, or a public announcement to change, specified types of law or policy;</li> <li>• Navarre has contravened an applicable law;</li> <li>• Specified market disruptions or hostilities occur; or</li> <li>• Certain specified regulatory actions or other proceedings or investigations occur.</li> </ul>
<p><b>Other Conditions, Undertakings and Indemnities</b></p>	<p>The Joint Lead Managers' obligations under the Underwriting Agreement are subject to customary conditions precedent.</p> <p>If any of the conditions are not met by the specified time, the Joint Lead Managers will not be liable to underwrite the Placement.</p> <p>In particular, underwriting of the Placement is conditional on, amongst other things:</p> <ul style="list-style-type: none"> <li>• <b>(Evolution subscription)</b> Evolution (or a Related Body Corporate) having entered into the Subscription Agreement (in accordance with the terms of the Asset Sale Agreement) and the Subscription Agreement not being terminated or amended prior to settlement of the Placement;</li> <li>• <b>(Shareholder approval)</b> Navarre's Shareholders, at the EGM, voting in favour of issuing New Shares under the Placement pursuant to ASX Listing Rule 7.1; and</li> <li>• <b>(Asset Sale Agreement)</b> the Asset Sale Agreement in relation to the Transaction being executed and not materially breached, terminated (or becoming terminable by the other party), rescinded or materially altered or amended without the Joint Lead Managers' consent.</li> </ul> <p>The Underwriting Agreement also contains undertakings from Navarre, conditions, and representations and warranties from Navarre and the Joint Lead Managers that are customary for an underwriting of this nature.</p> <p>Subject to certain exceptions, Navarre has agreed to indemnify and hold harmless the Joint Lead Managers and their associated indemnified parties from and against all losses incurred by, and claims made against, an indemnified party in relation to the Placement and the Placement Documents or any review, inquiry or investigation by a regulatory or government entity.</p>