



ASX Announcement

1 August 2011

Encouraging Drill Results at Stevens Basin Project in Nevada

- **Significant gold intercepts in 6 of 14 holes drilled**
- **Strong pathfinder anomalism (elevated As-Sb-Ba-Tl-Zn) in many holes**
- **Significant gold-bearing hydrothermal mineral system identified**
- **Gold-rich zones targeted for future drill phase**

The Directors of Navaho Gold Limited (Navaho Gold, ASX: NVG) are pleased to provide an update on the Stevens Basin project in Nevada, USA.

The Stevens Basin Project is located in Eureka Mining District on the Battle Mountain Trend. The area is subject to a farm-in agreement with Columbus Gold Corp whereby Navaho Gold can earn a 70% interest in the project.

Assay results have now been received from the 2,390 metres (7,840') of drilling in 14 reverse circulation drill holes completed during May/June 2011. The majority of the drilling was designed to test soil and rock chip gold geochemical anomalism (defined by work previously conducted by Columbus Gold Corporation as shown in Figure 1) and was integrated with geophysical data (ground gravity and airborne magnetic data) acquired by Navaho Gold to select drill sites. Three sites (holes SB11-09, 10 and 13) were selected in areas of no outcrop on inferred structural features alone.

Stevens Basin is an unusual gravel-filled semi-circular basin, approximately 10-13 km² in area. Surrounding this basin are hills of Palaeozoic sedimentary rocks which, along its northern margin, consist of mainly Devonian age limestone containing areas of altered and mineralised intrusive rock and siltstone float. In the area where the drilling was conducted the target horizon is a calcareous siltstone unit inferred to dip off the outcropping limestone out under the gravel cover. Based on the conventional model for Carlin-style deposits, mineralisation is expected to be best developed where the prospective host unit intersects controlling structures capable of introducing the mineralising fluids.

Six (6) of the 14 holes drilled contain encouraging intercepts of low-grade gold mineralisation which, when combined with strongly anomalous arsenic (As), antimony (Sb), barium (Ba), thallium (Tl) and zinc (Zn) also intersected in many of the holes may indicate proximity to higher grade Carlin-style mineralisation. Using a cut-off grade of 0.1 g/t Au over minimum interval of 3m (10') and no more than 1.5m (5') internal dilution, the following encouraging intercepts were returned (see Table 1 and Figure 1):

- SB11-003 4.6m @ 0.30 g/t Au from 64m;
- SB11-009 15.2m @ 0.18 g/t Au from 35m;
- SB11-014 4.6m @ 0.25 g/t Au from 41m.

Navaho Gold

Mineralisation in these 3 holes is hosted within oxidised, sheared and variably fractured/brecciated limestone with extensive calcite veining and jasperoid development (decalcification and silicification – usually associated with a Carlin-style gold mineralised system).

All 14 holes returned intercepts containing anomalous (> 10ppb or 0.010g/t) values of gold. Of particular importance is the thickness of the anomalous gold interval in SB11-09 (109.7m from 1.5m depth) which indicates a significant gold-bearing hydrothermal system has been identified.

In addition to the elevated gold intercepts several holes encountered zones of anomalous arsenic (up to 0.15% As over 9.1m in SB11-05; 0.13% As over 36.6m in SB11-012), anomalous zinc (2.03% Zn over 7.6m in SB11-11), anomalous barium (0.47% Ba over 87m in SB11-11; 0.84% Ba over 6.1m in SB11-05; 0.77% Ba over 7.6m in SB11-10) and thallium (2.4ppm Tl over 12.2m in SB11-05; 1.5ppm Tl over 74.7m in SB11-09; 3ppm Tl over 7.6m in SB11-10; 1.5ppm Tl over 83.8m in SB11-13). These elements are all strong indicators of a Carlin-style system.

At Barrick Gold Corp's Archimedes/Ruby Hill gold mine (2.23 Moz)⁽¹⁾, located in a similar structural setting, 9km to the northeast of Stevens Basin, the gold mineralisation has an association with elevated base-metals (zinc in particular) and barite-rich hydrothermal breccias. The Archimedes deposit also occurs in close proximity to a Cretaceous intrusive stock and, given the elevated zinc returned from Navaho Gold's hole SB11-11 at Stevens Basin, widespread Ba anomalism and the possible existence of an intrusive body in the central portion of Stevens Basin as inferred from the airborne magnetic data, Navaho Gold believes that the drill results to date at Stevens Basin may indicate an analogous mineralised setting to the Archimedes/Ruby Hill deposit.

Commenting on the results, Navaho Gold's CEO, Mr Mark Dugmore remarked that "the results from the first pass drilling at Stevens Basin are considered to be very encouraging in the context of exploring for Carlin-style mineralisation. They are typical in terms of gold grade and pathfinder element association of leakage haloes peripheral to and above known deposits close by. The results warrant further follow-up drilling in an attempt to focus our effort toward higher grade mineralisation."

FUTURE PROGRAM

Navaho Gold will complete a further phase of drilling at Stevens Basin during Q3, 2011 with the objective of targeting additional geochemical and structural features. These targets are based upon the results of the soil sampling completed during Q2, 2011 and have been integrated with existing geophysical interpretations and the results of this first phase of drilling.

Navaho Gold

Further information regarding Navaho Gold, its projects and management team are available on the Company's website at www.navahogold.com



Mark Dugmore
Chief Executive Officer

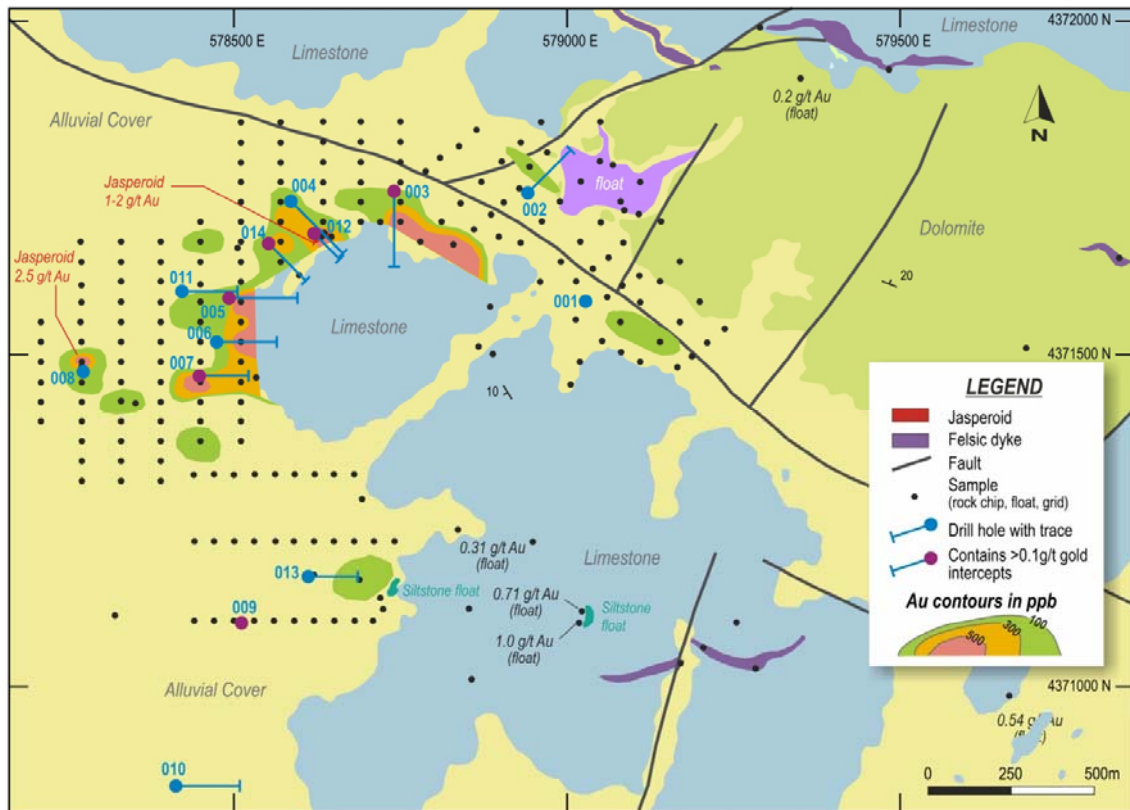


Figure 1: Stevens Basin – location of drillholes on geology and surface soil gold anomaly

Navaho Gold

Table 1: Stevens Basin – Summary of significant Drilling Assay Results

Hole ID	Au g/t	Depth From (m)	Depth To (m)	Interval (m)
SB11-03	0.30	64.0	68.6	4.6
SB11-05	0.24	45.7	48.7	3.0
SB11-05	0.33	65.5	67.0	1.5
SB11-07	0.16	54.9	56.4	1.5
SB11-09	0.18	18.3	21.3	3.0
SB11-09	0.12	27.4	30.5	3.0
SB11-09	0.18	35.1	50.3	15.2
SB11-09	0.13	88.4	89.9	1.5
SB11-12	0.12	54.9	56.4	1.5
SB11-12	0.1	73.2	80.8	7.6
SB11-14	0.25	41.1	45.7	4.6

Notes

Table 1 shows **significant** gold intercepts from the 14 drill holes, as defined by a cut-off of 0.1g/t over a minimum (5') 1.5m width. Holes or intercepts not meeting these criteria are not listed.

Drill samples are collected via cyclone assembly with rotary wet splitter and analysed in 5' (1.5m) intervals. Gold is analysed by 30g fire assay ICP-AES analysis. All of the analytical work is being performed by ALS Minerals, North American laboratories. Sufficient commercially prepared standards, blanks, and duplicates are inserted to assure quality analytical results.

“Anomalous” indicates a result which is greater than 10ppb Au (0.010g/t). The foregoing intercepts are not necessarily true widths as at this time there is insufficient data with respect to the shape of the mineralization to calculate its true orientation in space.

Reference:

1. (past production, proven and probable reserves and inferred resources as stated in Barrick Gold Corporation 2009 Annual Report and Nevada Bureau of Mines and Geology Special Publication MI-2008)

Navaho Gold

Competent Persons Statement

The information herein that relates to Exploration Results is based on information compiled by Mark Dugmore B.App.Sc, MSc, who is a Member of The Australian Institute of Mining and Metallurgy. Mr Dugmore is employed by Navaho Gold Ltd.

Mr Dugmore has more than five years experience which is relevant to the style of mineralisation and type of deposit being reported and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Minerals Resources and Ore Reserves' (the JORC Code). This public report is issued with the prior written consent of the Competent Person(s) as to the form and context in which it appears.

About Navaho Gold

Carlin Style Mineralisation

Navaho Gold is clearly focused on the exploration for and ultimate development of "Carlin Style" gold mineralisation. "Carlin" gold mineralisation was recognised near the town of Carlin in Nevada USA in the 1960's. Carlin deposits occur as the result of low temperature solutions precipitating gold, silver and sulphide minerals in limey, magnesian and carbonaceous sediments, which have first been made a porous and receptive host by the effect of acid solutions emanating from nearby intrusions and fragmentation from fault activity. Carlin orebodies are typically both large and high-grade, ranging up to 40Moz gold (eg. Barrick Gold Corporation's Post-Betze deposit)¹. Nevada has 20 major mining operations producing in excess of 100,000 oz gold per annum².

Projects in Nevada and Queensland

Navaho Gold has various agreements to earn majority interests in, or acquire, at Navaho Gold's election, seven projects in Nevada, four of which are located on or adjacent to the prolific gold-producing Carlin and Battle Mountain Trends, and holds exploration licences over three potential new "Carlin" style regions in Queensland.

From the period 1981 to 2009, in excess of 156Moz gold has been produced in Nevada, making it one of the most strongly endowed gold provinces in the World². The Carlin Trend alone has produced more gold than any other mining district in the USA³.

Importantly, Navaho Gold's Carlin East project in Nevada lies approximately 5km east of Barrick Gold Corporation's 40Moz gold Post-Betze deposit, and the Utah Clipper project in Nevada is located immediately along trend from Barrick's Cortez and Pipeline-Gold Acres deposits which contain more than 30Moz gold³.

References:

1. Nevada Bureau of Mines and Geology – Update on Minerals Production & Exploration (2009)
2. Nevada Bureau of Mines and Geology – Minerals Industry Report (2009)
3. Minnelex Pty Ltd – Independent Geologists Report (10 February 2011) for the Navaho Gold Prospectus

Navaho Gold currently has 92,562,000 shares on issue.

Email: info@navahogold.com

Electronic copies and more information are available on the Company website: www.navahogold.com

For further information contact:

Mr Mark Dugmore
Managing Director Navaho Gold Ltd
Ph: 07 3303 0650

Karl Schlobohm
Company Secretary, Navaho Gold Ltd
Ph: 07 3303 0650