



ASX Announcement

20 September 2011

DRILLING COMMENCES AT ROSE MINE PROJECT IN NEVADA DRILLING ALSO AT TAZ AND UTAH CLIPPER PROJECTS

The Directors of Navaho Gold Limited (Navaho) are pleased to advise that drilling has commenced on the Rose Mine project in Nevada, USA. On completion, the drill rig will immediately move onto the adjoining Stevens Basin project followed by Whitehorse Flats. Navaho now has two rigs contracted to complete programs on 5 projects before the US winter.

Drilling at Rose Mine

The Rose Mine Project is located in the Eureka Mining District on the Battle Mountain Trend (see Figures 1) 13km south west of the Ruby Hill/Archimedes deposit (2.23 Moz)⁽¹⁾ owned by Barrick Gold Corp. The area is the subject of a farm-in agreement with Renaissance Gold Inc (TSX-V:REN) under which Navaho can earn a 70% interest in the project.

The drill program will first test near-surface gold mineralisation defined by an intersection of 44m grading 0.26 g/t Au from 24m depth in drillhole AR07-02 (see Figure 3) completed by a previous partner of Renaissance Gold, and then move on to test a further 10 to 12 soil geochemical and geophysical (both gravity and magnetic) anomalies recently defined by Navaho. Approximately 1,500m of reverse circulation drilling will be completed at Rose Mine.

Follow-on Drilling at Stevens Basin and Whitehorse Flats Projects

The Stevens Basin Project is located immediately north of the Rose Mine project and is subject to a farm-in agreement with Columbus Gold Corp (TSX-V:CGT) whereby Navaho can earn a 70% interest in the project.

The drill program at Stevens Basin is designed to follow up the highly anomalous gold mineralisation intersected in hole SB11-009 (15.2 m @ 0.18 g/t from 35m depth) drilled by Navaho in June 2011 (see ASX release dated 1 August 2011) as well as testing a further suite of structural features identified from interpretation of gravity data, a magnetic target with features analogous to the Archimedes/Ruby Hill deposit, and further multi-element soil anomalies defined by sampling completed by Navaho in recent months. Approximately 1,200m of reverse circulation drilling will be completed in 8-10 holes.

The Whitehorse Flats Project is located 8km northeast of the Kinsley Mine which produced approximately 400,000 oz gold in the mid-1980's. The area is the subject of a farm-in agreement with Columbus Gold Corp (TSX-V:CGT) under which Navaho can earn a 70% interest in the project.

Approximately 1,500m of reverse circulation drilling will be completed in 10-12 holes to test a 1.2 km outcropping zone of silicification with anomalous gold defined in rockchips taken by Columbus Gold Corp (ranging from 0.32 to 1.82 ppm) and the interpreted extension of this mineralised zone under alluvial cover to the east.

Navaho Gold

Navaho CEO Mark Dugmore said “This is our maiden drilling for the Rose Mine and Whitehorse projects and adds to our aggressive program of drilling scheduled for our first year of listing. In addition to the large tonnage targets being tested at the TAZ and Utah Clipper projects outlined in the ASX release last week, it is exciting to be again testing additional large tonnage targets analogous to the Achimedes/Ruby Hill deposit in this program.”

Further information regarding Navaho Gold, its projects, management team and a copy of its Prospectus are available on the Company’s website at www.navahogold.com



On behalf of the Board
Mark Dugmore
Managing Director

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.

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.

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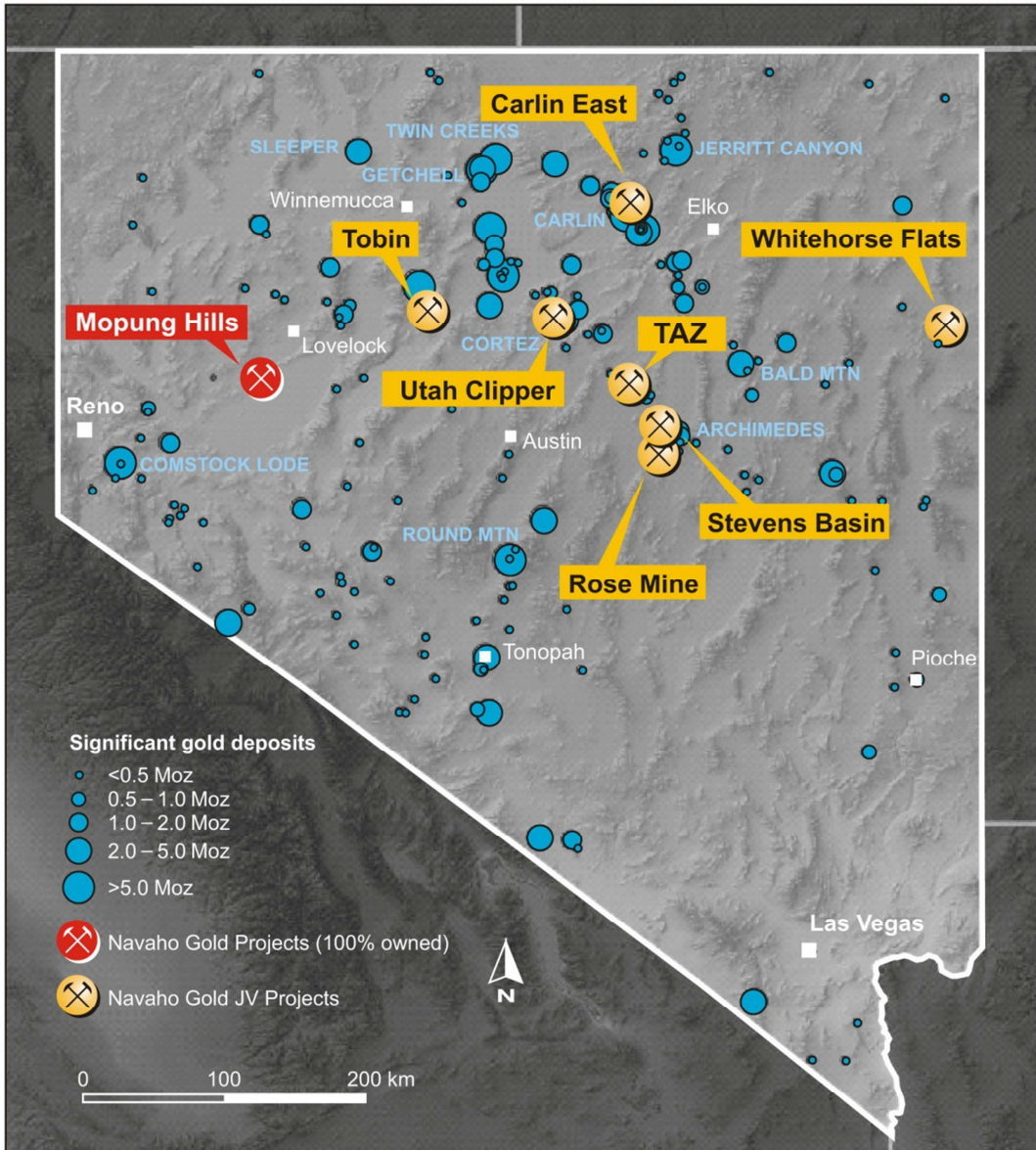


Figure 1. Location of Navaho’s Nevada Projects.

Navaho Gold

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 92,572,000 shares on issue.

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

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