



ASX Announcement

18 January 2012

DRILL RESULTS FOR THE ROSE MINE PROJECT IN NEVADA.

- **Elevated gold intercepts in 3 of the 10 holes drilled**
- **Elevated arsenic plus associated Carlin-style indicator elements intersected in several holes**
- **Low level silver intercept in one hole**

The Directors of Navaho Gold Limited (Navaho Gold) are pleased to advise that final assay results have been received from drilling at the Rose Mine Project in Nevada, USA.

The Rose Mine Project is located in the Eureka Mining District on the Battle Mountain Trend (see Figure 1) 13km south west of the Ruby Hill/Archimedes deposit (2.23Moz)⁽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.

Assay results have been received from the 1,512m (4,961') of drilling in 10 reverse circulation drill holes completed during September/October 2011. Drill hole locations are shown in Figure 2. Drilling was designed to test both a near-surface gold intersection of 44m grading 0.26 g/t Au from 24m depth, defined in drill hole AR07-02 drilled by a previous partner of Renaissance Gold, and several soil geochemical and geophysical (both gravity and magnetic) anomalies defined by Navaho Gold work.

Three (3) of the 10 holes intercepted anomalous gold (Au > 0.05ppm) as listed in Table 1. Anomalous arsenic (As > 30ppm), along with elevated antimony (Sb), barium (Ba), bismuth (Bi) and thallium (Tl) was also intersected in several holes and may indicate proximity to Carlin-style mineralisation. Anomalous silver (Ag > 1g/t) was also intercepted in hole RM11-06 (see Table 1).

RM11-01 was drilled to test the historic low grade Au mineralisation in AR07-02 but did not intersect similar mineralisation and it is interpreted that faulting has off-set the known mineralisation to the south.

Of interest are the As intersections in drill hole RM11-09 of 30.5m @ 50ppm As from 83.8m and 9.2m @ 201ppm As from 134.1m as, in the Carlin model, these may represent haloes to nearby gold mineralisation. RM11-09 was terminated at the base of the second As intersection due to a lack of sample return and poor ground conditions so the full depth extent of this zone of As anomalism could not be tested.

A full review integrating the anomalous geochemistry and alteration returned from this drilling with the existing surface geochemistry and geophysics is underway to determine if any near-miss scenarios can be identified which may warrant further drill testing during the next season.

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Further information regarding Navaho Gold, its projects and management team 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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Table 1. Rose Mine - Summary of anomalous gold and silver drilling assay results

Hole ID	Gold g/t	Silver g/t	Depth From (m)	Depth To (m)	Interval (m)
RM11-01	0.075		172.3	176.8	4.5
RM11-02	0.065		122.0	123.5	1.5
RM11-06	0.067		144.8	146.3	1.5
RM11-06		1.1	147.9	163.1	15.2

Notes

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 and an ICP-AES analysis. Silver is analysed by four acid digestion and an 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 50ppb Au (0.050 g/t) and 1ppm Ag (1.0 g/t). Holes or intercepts not meeting these criteria are not listed. 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.

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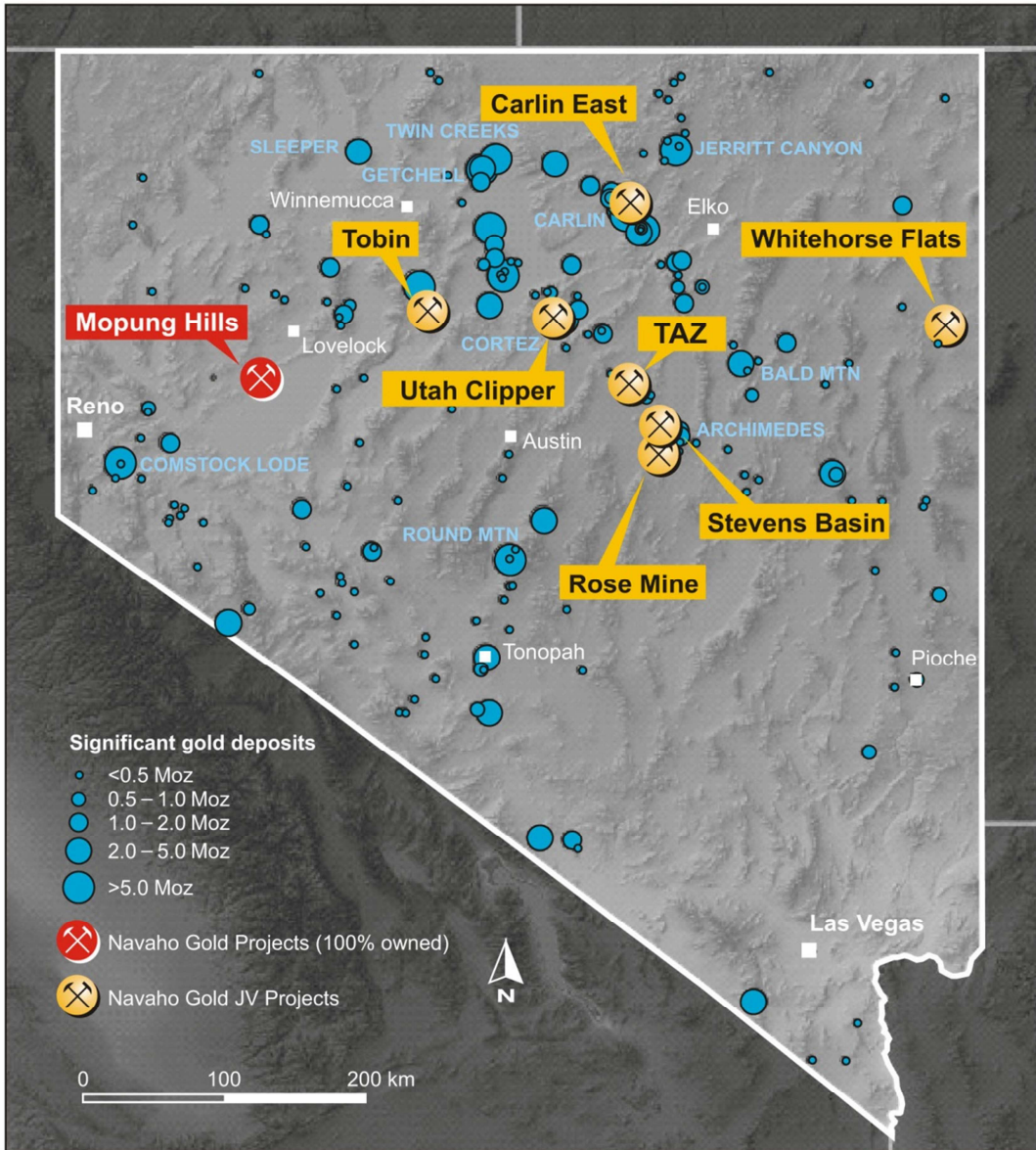


Figure 1. Location of Navaho's Nevada Projects.

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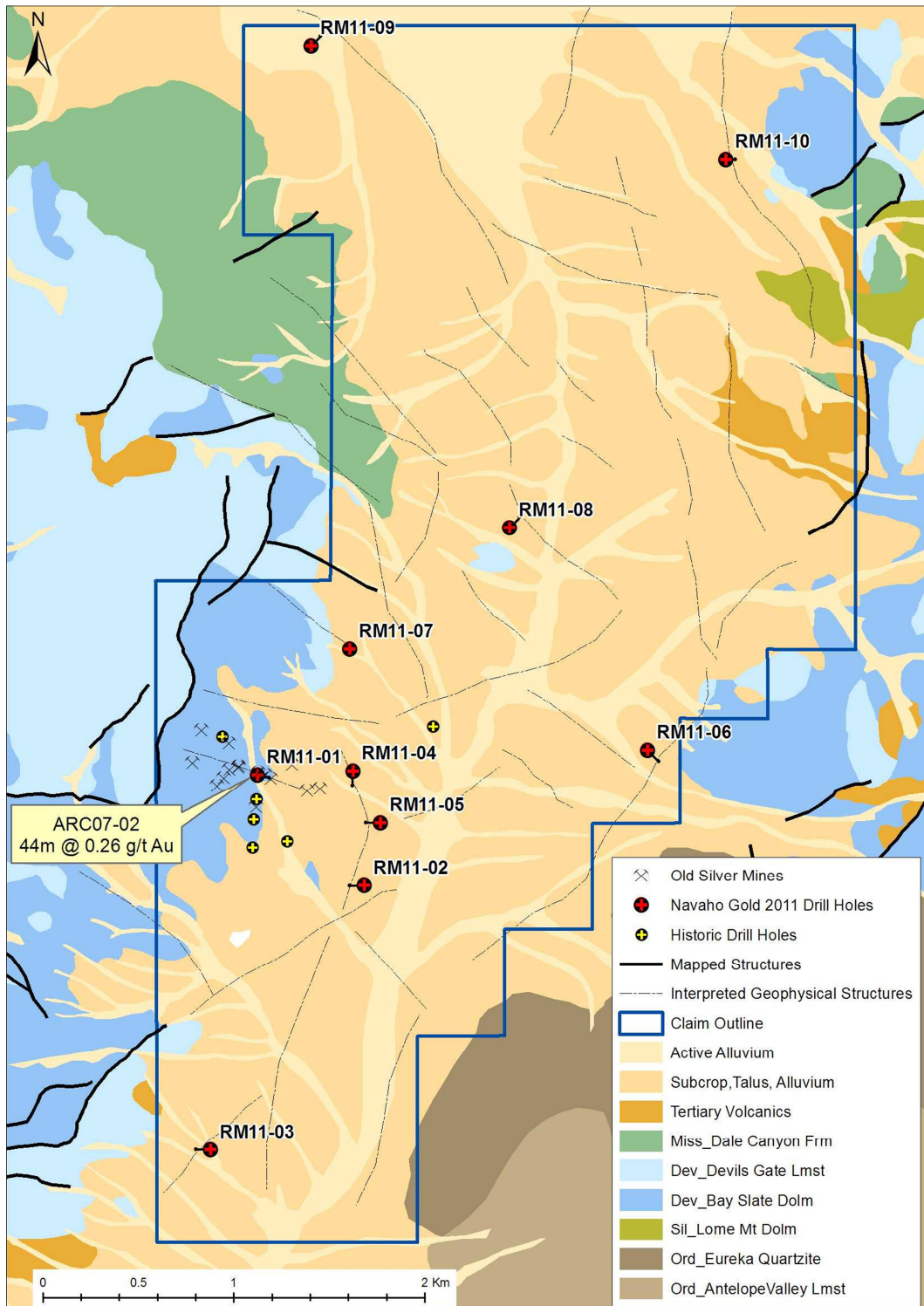


Figure 2. Rose Mine Project 2011 drill hole locations.

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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 92,835,236 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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