



# NAVIGATOR RESOURCES LIMITED

## ASX ANNOUNCEMENT & MEDIA RELEASE

22 January 2008

### GOLD PROCESSING PLANT OPTION TRIGGERS FEASIBILITY

#### Highlights

- ◆ Navigator secures option to purchase a 700ktpa gold processing plant for Leonora.
- ◆ An initial high grade mining approach is envisaged to provide strong early cash flow and maximise exposure to a robust gold price.
- ◆ Feasibility studies are underway with a view to commencing mining as soon as possible subject to permitting approvals.
- ◆ A modest capital requirement is expected for relocating and commissioning the processing plant, whilst the initial shallow, high grade and "free-dig" nature of mineralisation is conducive to low operating costs.

The Board of Navigator Resources Limited (**ASX: NAV**) is pleased to announce that it has secured an option to purchase a gold processing plant for intended use at its 870,000 ounce Leonora gold project.

As a result, Navigator has begun a feasibility study which is scheduled for completion in mid-2008 with a view to commencing mining at Leonora as soon as possible thereafter subject to permitting approvals.

The option agreement includes a gold processing plant with the crushing, milling and tankage for a 700ktpa processing capability. The gold processing plant is currently disassembled in Coolgardie, located 260km by highway from Leonora, an aspect that will simplify refurbishment and relocation. The plant was previously used at the Norris (Grosmont) and Lady Bountiful gold mines. The term of the option is three months, with a maximum exercise price of A\$1.2million.

The purchase of the gold processing plant will enable Navigator to pursue a high grade open pit production strategy in the initial two years of operation with a target production rate of 700ktpa for approximately 75,000 ounces per year. Following this, an expansion of processing capacity to at least 1.0Mtpa is envisaged for the balance of the project life, either by expansion of CIP capacity and/or by the establishment of a heap leach capacity.





This high grade mining approach will maximise exposure to a robust gold price and provide strong early cash flow, thereby reducing the initial capital requirement that would otherwise be needed for establishing a larger processing capacity.

The feasibility study will consolidate the Company's ability to debt fund all or a major component of the startup capital requirement with the final mix of debt and equity to be fully assessed in the process of feasibility studies.

A modest capital requirement for relocating and commissioning the processing plant is anticipated due to the location and size of the plant, whilst the initial shallow, high grade and "free-dig" nature of mineralisation will be conducive to low operating costs. In addition, the vendor has an intimate knowledge of the plant and will be involved in its refurbishment, relocation and management.

Subject to the completion of detailed due diligence on the plant and confirmatory scoping analysis, Navigator plans to commence refurbishment and to purchase any additional processing equipment as required.

Open pit optimisation studies completed in mid-2007 indicated excellent potential for high grade (plus 3.0g/t gold) mill feed, with undiluted *global* mineable grades of 2.8g/t gold generated from multiple open pits. Since then, exploration success has doubled the grade of the Tonto discovery (current resource of 1.7Mt at 2.8g/t gold), and led to the identification of significant shallow mineralisation along strike that will result in a revised resource estimate in February 2008. The current global resource at Leonora is 12.5Mt at 2.2 g/t gold for 870,000 ounces.

Navigator is in the process of recruiting a fulltime Operations Manager to smooth the transition to mining at Leonora and to augment the already extensive mining experience within the Company at management and board level. Mining, metallurgical and groundwater studies are already underway and environmental studies will commence shortly.

Navigator will continue its aggressive drilling strategy at Leonora to keep building the resource during the development phase in order to expand its low cost mining options and to fully realise the exploration potential of its 35km-long Mertondale-Cardinia greenstone belt.

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**Managing Director**

**NAVIGATOR RESOURCES LIMITED**

The information in this report that relates to Exploration Results or Mineral Resources is based on data compiled by Mr Ben Pollard and Mr Tom Sanders who are Members of the Australasian Institute of Mining and Metallurgy. Mr Pollard and Mr Sanders are full time employees of Navigator Resources Limited and have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity undertaken to qualify as Competent Persons as defined in the 2004 Edition of the "Australian Code for Reporting of Mineral Resources and Ore Reserves". Mr Pollard and Mr Sanders consent to the inclusion in this report of the matters based on information in the form and context in which it appears. Mr Pollard and Mr Sanders are shareholders of Navigator Resources Limited.