



NAVIGATOR
RESOURCES LIMITED

ASX ANNOUNCEMENT & MEDIA RELEASE

3 September 2009

**NAVIGATOR SECURES FUNDING TO COMPLETE
BRONZEWING ACQUISITION**

- ◆ Acquisition of the Bronzewing Gold Project to proceed with settlement to occur by 30 September 2009.
- ◆ A\$16 million senior debt facility secured.
- ◆ A\$15 million equity raising to leading institutions and sophisticated investors.
- ◆ Details of a rights issue to all shareholders on the same terms as shares issued under the placement will follow soon.

BRONZEWING PURCHASE

The Directors of Navigator Resources Limited ("Navigator") (ASX: NAV) are pleased to announce that the Company has notified the Administrators that **it is proceeding to completion of the acquisition of the Bronzewing Gold Project** by the end of September 2009, after securing debt financing and broker firm equity funding commitments.

The total funding requirement to complete the Bronzewing acquisition and bring the project back into production at a rate of approximately 100,000oz per annum is A\$36.4 million.

In addition, the Leonora trial mining exercise will require approximately A\$2.0 million in working capital. This exercise is designed to allow Navigator to determine the mix of the Leonora ore required to optimise materials handling and gold recovery and will also be cash flow positive in the region of A\$0.5 million.

The total funding requirement is as follows:

	A\$ (million)
◆ Bronzewing acquisition, bonds & capital	36.4
◆ Leonora trial mining	2.0
◆ General working capital	1.6
◆ Total funding	40.0

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As previously announced, the Company has been working with its advisors to determine the appropriate debt to equity funding mix. Navigator is pleased to advise that the following financing package has been selected:

	A\$ (million)
◆ Senior debt	16.0
◆ Institutional and sophisticated investor placement (Equity)	15.0
◆ Rights Issue (Equity)	<i>approximately</i> 9.0
◆ Total funding	<u>40.0</u>

DEBT FACILITY

The Company has accepted an offer of a A\$16 million senior debt funding facility from RMB Resources Limited. The security for the facility comprises a fixed and floating charge over all of the Company's assets.

The loan is divided into two tranches. The first tranche of A\$9 million funding is subject to the raising of a minimum of A\$6 million in new equity, the completion of facility and security documentation, which is already well advanced, and the issue of 7.5 million options to the Lender. An additional amount of 4.5 million options ("Additional Options") is to be issued before 31 October 2009.

The second tranche is for A\$7 million and is subject to there being no material adverse changes and the provision of updated corporate budgets. Should all of the second tranche be drawn, an additional 9 million options will be issued to the Lender.

As the Company's 15% placement capacity limit will not allow the issue of all of the options to the debt financier, Navigator shareholder approval will be sought for the issue of the Additional Options as noted above. This will occur at the same meeting as noted below for the equity placement.

The senior debt facility does not involve any gold hedging.

EQUITY PLACEMENT

Navigator appointed Casimir Capital LP ("Casimir"), a leading natural resource focused investment bank, to manage institutional placement activities into the USA, Canada and UK. The Company completed an international roadshow during the week of 24 August 2009 and received strong institutional investor interest. Casimir is currently completing transaction documents with clients for A\$15 million at a price of 17 cents with a free attaching half option, exercisable at 25 cents by 30 November 2011.

The placement will be undertaken in two equal tranches of A\$7.5 million totalling A\$15 million. The first instalment ("Initial Tranche") was approved pursuant to shareholder resolution passed at the Company's Extraordinary General Meeting (EGM) on 30 July 2009 and utilising the Company's annual 15% placement capacity available under ASX Listing Rule 7.1.

The second equity tranche ("Tranche 2") will be placed to institutions and sophisticated investors on the same terms as the Initial Tranche but is subject to shareholder approval at a forthcoming EGM planned for October 2009.



The above placements are conditional upon the senior debt facility, the completion of the acquisition of the Bronzewing Gold Project and the ability of the investors, together with existing shareholders, to participate in the subsequent rights issue.

The Initial Tranche will ensure the Company has met a significant condition precedent for the drawdown of the debt facility, and will allow it to move to settlement of the Bronzewing Gold Project.

The Company will make a further announcement following completion of all transaction documentation.

RIGHTS ISSUE

To ensure all existing Navigator shareholders have the opportunity to participate on the same terms as the institutional placement, the Company will also be undertaking a rights issue on the same terms as the placement, namely 17 cents per share with a free half option.

The rights issue will be managed and is intended to be fully underwritten and the Company is in discussions with a number of potential sub-underwriters.

It is planned to have the rights issue completed by mid November and this will complete the raising of the Company's total funding requirements for the purchase and re-commissioning of the Bronzewing Gold Project and the Leonora trial mining.

Based on the above timetable, start-up production from the Bronzewing Gold Project would commence in March 2010.

COFFEY REPORT

The Company commissioned Coffey Mining Pty Ltd to undertake a high level fatal flaw review as a precursor to a full technical review of the Bronzewing Gold Project. The full review included assessment of the critical Resources and Reserves, mining methods and schedules, an inspection and review of the processing plant re-commissioning requirements, process performance assumptions, tailings storage proposals, a review of capital and operating cost assumptions and a project risk assessment. Coffey further reviewed Navigator's mine plan and the financial models and the associated assumptions and recommendations were incorporated and costed.

Coffey reported Reserves for the Bronzewing Gold Project as follows:

TABLE 1: BRONZEWING MINING RESERVES			
Deposit	Probable		
	Tonnes	Au g/t	Contained Au oz
Central	1,946,000	1.5	95,800
Cockburn	4,081,000	2.0	268,300
Challenger	159,000	1.7	8,700
Success	138,000	2.8	12,200
Total	6,324,000	1.9	385,000



Project Resources are as below:

TABLE 2: BRONZEWING GOLD PROJECT RESOURCE SUMMARY – JULY 2009										
Project Area	Lower cutoff grade	Indicated Resources			Inferred Resources			Total Resources		
	g/t Au	Mt	g/t Au	koz	Mt	g/t Au	koz	Mt	g/t Au	koz
Open Pit										
Cockburn	0.7	4.46	2.0	291	0.75	1.8	43	5.20	2.0	334
Central	0.7	1.94	1.5	95				1.94	1.5	95
Success	1.0	0.18	2.9	16				0.18	2.9	16
Challenger South	0.7	0.17	1.7	9				0.17	1.7	9
Corboys	1.0	1.27	1.9	78	1.03	1.8	60	2.30	1.9	138
Low Grade Stockpiles*		0.85	0.5	14				0.85	0.5	14
Subtotal		8.86	1.7	503	1.78	1.8	103	10.64	1.8	606
Underground										
Cockburn	3.0	0.81	4.2	110	0.75	4.4	107	1.56	4.3	217
Bronzewing*	1.5	0.36	2.3	27				0.36	2.3	27
Subtotal		1.17	3.6	137	0.75	4.4	107	1.92	3.9	244
TOTAL		10.03	2.0	640	2.53	2.6	210	12.56	2.1	850

* Mineral Resources at Bronzewing Underground and the Low Grade Stockpiles formed part of a View Resources Limited Quarterly Report for the Period Ended December 2007 lodged with ASX on 25 January 2008. These resources are yet to be reviewed by Navigator or an independent party.

BEHRE DOLBEAR REPORT

As part of the due diligence process for the institutional placement, Casimir commissioned mineral industry consultants, Behre Dolbear Australia Pty Ltd ("BDA") (a subsidiary of Behre Dolbear & Company Inc), to undertake a high level Fatal Flaw Review of the Bronzewing Gold Project.

BDA concluded that there were no Fatal Flaws in the proposed plans for the project by Navigator and the highest Risk ranking for elements of the Bronzewing Gold Project was at the "Medium" level, being those associated with the mining costs and recovered mine grade.

Managing Director
NAVIGATOR RESOURCES LIMITED





ABOUT NAVIGATOR RESOURCES LIMITED

Navigator Resources Limited is an emerging mid-tier Western Australian resource company. Its objective is to become a highly regarded, profitable and responsible gold producer with a pipeline of resource projects.

The Company's major focus is the acquisition and re-commissioning of the Bronzewing Gold Project in Western Australia and undertaking trial mining at the Leonora Gold Project with the objective of Leonora becoming Navigator's second producing gold mine.

Bronzewing Gold Project

The Bronzewing Gold Project, located approximately 83km northeast of Leinster and 800km northeast of Perth, comprises the Bronzewing and McClure group of mines within a semi-contiguous landholding of approximately 1,000km². A recently revised global resource of 850,000oz (12.56Mt at 2.1g/t gold) has been determined. The resource includes low grade stockpiles of 850,000t at 0.5g/t Au (14,000oz).

Key infrastructure, including a 2.3Mtpa processing plant and 280 person accommodation village, has been on care and maintenance since March 2008.

Following settlement of the acquisition transaction, scheduled for 30 September 2009, Navigator is planning to recommence mining activities at Bronzewing by March 2010.

Bronzewing Mine Plan

In order to provide shareholders with an idea of the upside potential in the Bronzewing mine plan, an alternative mine plan was compiled which incorporated Inferred material occurring within existing open pit designs.

If that additional Inferred material is included, the mining inventory increases to 8.6Mt at 1.8g/t for 500,000oz of contained gold, thereby increasing open pit mine life to approximately five years.

Leonora Gold Project

The 268km² Leonora Gold Project is located 35km northeast of the mining town of Leonora. Independent estimates of the mineral resources at Leonora total 12.2Mt at 1.9g/t for 742,000oz of contained gold.

A Pre-Feasibility Study (PFS) was completed in the March 2009 quarter and a trial mining exercise of 75,000 tonnes of ore is scheduled to commence in the last quarter of 2009. St Barbara Limited will treat the ore through its Gwalia mill, which is expected to produce in the vicinity of 5,000oz of gold from the trial ore parcel.

The exercise will provide important information on materials handling, geological and metallurgical aspects of the ore and be invaluable in the determination of the optimum development scenario for the Leonora Gold Project.



ABOUT RMB RESOURCES LIMITED

RMB Resources Limited is the resources merchant banking business of the FirstRand group, one of South Africa's largest financial services groups. RMB Resources is a special resources merchant bank focused on:

- ◆ providing debt, commodity hedging, equity and quasi-equity;
- ◆ small to mid-size companies; and
- ◆ clients in Australia, North and South America and Europe.

RMB Resources operates from its offices in Sydney, Melbourne, London, Johannesburg and Denver.

ABOUT CASIMIR CAPITAL LP

Casimir Capital LP is exclusively a natural resource focused investment bank headquartered in New York, with offices in Sydney and Toronto.

Casimir advises clients in all aspects of equity, quasi equity and debt offerings and in addition offers clients additional financing options such as off take and royalty agreements.

Casimir focuses on providing emerging clients with their total financing needs as they move from explorer to producer, expansion of existing production capacity and acquisition finance.

For Further Information:

Please direct any queries, or requests for further information, to:

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This report contains forward looking statements that are subject to risk factors associated with resource businesses. It is believed that the expectations reflected in these statements are reasonable but they may be affected by a variety of variables and changes in underlying assumptions which could cause actual results or trends to differ materially, including but not limited to: price fluctuations, actual demand, currency fluctuations, drilling and production results, reserve estimates, loss of market, industry competition, environmental risks, physical risks, legislative, fiscal and regulatory developments, economic and financial market conditions in various countries and regions, political risks, project delay or advancement, approvals and cost estimates.

Sections of information contained within this report that relate to Mineral Resources of the Cockburn and Central prospects of the Bronzewing Gold Project are based on information compiled by David Slater who is a full-time employee of Coffey Mining and a Member of the Australasian Institute of Mining and Metallurgy. David Slater has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he has undertaken to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". David Slater consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

Sections of information contained within this report that relate to Exploration Results or Mineral Resources of the Challenger South, Success and Corboys prospects at the Bronzewing Gold Project, and the Leonora Gold Project, are based on information reviewed by Bernie Kirkpatrick who is a full-time employee of Navigator Resources Limited and a Member of the Australasian Institute of Mining and Metallurgy. Bernie Kirkpatrick has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he has undertaken to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Bernie Kirkpatrick consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.



Sections of information contained within this report that relate to Ore Reserves at the Bronzewing Gold Project are based on information compiled by Nigel Spicer who is a full-time employee of Coffey Mining and a Member of the Australasian Institute of Mining and Metallurgy. Nigel Spicer has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he has undertaken to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Nigel Spicer consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.