



## NAVIGATOR RESOURCES LIMITED

27 May 2009

Dear Shareholder,

### **NAVIGATOR RESOURCES LIMITED (ASX: NAV) – SHARE PURCHASE PLAN (SPP)**

In my first communication with shareholders following my recent appointment as Managing Director, it is my great pleasure to invite you to participate in the Company's Share Purchase Plan (SPP).

Navigator is pressing ahead with plans to become a substantial near term gold producer from two Western Australian open pit projects.

The Company recently announced that it has entered into a conditional purchase agreement to acquire the assets of the Bronzewing Gold Project. Subject to completion and funding of this acquisition, Navigator is targeting a five year, 100,000oz pa gold mining operation commencing January 2010. Based on a simple open pit mining approach at a time of buoyant gold prices, the Company is confident of achieving this objective.

Strategically, a successful re-commencement of operations at Bronzewing creates potential to self-fund the development of a second operation at the Company's Leonora Gold Project, where a positive pre-feasibility study recently confirmed scope for a six year, 60,000oz pa open pit mine, commencing in late 2010.

Navigator recently completed a successful private placement raising \$2.2million (\$1.4million received and shares allotted and a further \$0.8million to be subject to shareholder approval as announced to the ASX on 14 May 2009).

The Board has now resolved to offer additional shares under this Share Purchase Plan, to provide all shareholders with the opportunity to participate at this exciting stage in the Company's development.

The fundraising is being managed by BGF Equities with the intention that any shortfall below an SPP upper limit of \$2million can be placed with other investors eligible under section 708 of the Corporations Act.

Proceeds from the raising will primarily be used to progress the evaluation of the Bronzewing Gold Project, for ongoing feasibility work at the Leonora Gold Project, and for working capital.

The Board is pleased to invite registered holders of NAV shares as at 5.00pm (WST) on Wednesday, 27 May 2009 with a registered address in Australia or New Zealand to participate in a Share Purchase Plan by subscribing for up to A\$5,000 of additional shares in NAV without incurring brokerage or other transaction costs. New shares under the SPP will be offered at a discount of 15% to the volume weighted average price of existing fully paid ordinary shares (NAV shares quoted on the ASX) during the five business days immediately prior to the issue date of Monday, 15 June 2009.



## Indicative Timetable

DATE	EVENT	DESCRIPTION
27 May 2009	Announcement Date	Share Purchase Plan announced
27 May 2009	Record Date	The date on which NAV determines eligible shareholders
29 May 2009	Opening Date	SPP opens
10 June 2009	Closing Date	SPP closes
15 June 2009	Issue Date	Shares issued under SPP
17 June 2009	Despatch Date	Despatch date for holding statements
17 June 2009	Quotation Commences	Shares issued under SPP expected to commence quotation on ASX

The above timetable is indicative only. The Directors reserve the right to vary any of the key dates above, including the Closing Date and the Issue Date, without further notice.

Given the relatively short time frame of the SPP offer period, Directors urge eligible shareholders intending to participate in the SPP to proceed with the timely lodgement of their applications.

Details of this offer and how to participate are enclosed.

Applications will be processed on an as received basis. If the total value of applications for shares exceeds \$2million, the Company reserves the right to scale back the applications accordingly, close the SPP earlier or accept over-subscriptions.

If you require additional information, you may wish to contact the Company on (08) 9226 5311 or visit the website [www.navigatorresources.com.au](http://www.navigatorresources.com.au). I encourage you to read the terms and conditions of the SPP carefully. If you are in doubt as to how to act on this matter you should contact a professional adviser.

Thank you for your continued support.

Yours sincerely

**DAVID HATCH**  
**Managing Director**



## Navigator Resources Limited – Share Purchase Plan Terms and Conditions

Navigator Resources Limited (**NAV**) is pleased to provide eligible NAV shareholders with the opportunity to participate in the NAV Share Purchase Plan (the **SPP**) by subscribing for up to A\$5,000 of additional shares in NAV without incurring brokerage or other transaction costs. Details of this offer and how to participate are set out below.

### Eligibility to participate in the SPP

You are eligible to participate in the SPP if you were a registered holder of fully paid ordinary shares in NAV (**NAV Shares** or **Shares**) at the close of business on Wednesday, 27 May 2009 (the **Record Date**) with a registered address in Australia or New Zealand (**Eligible Shareholders**). The NAV Board has determined that because of foreign securities laws, it is not practical for holders of NAV Shares with registered addresses in other jurisdictions to participate in the SPP.

- ◆ **Single holders:** If you are the only registered holder of a holding of NAV Shares, but you receive more than one (1) offer under the SPP (for example, due to multiple registered holdings), you may only apply for one (1) Maximum Parcel of NAV Shares.
- ◆ **Joint holders:** If you are recorded with one (1) or more other persons as the joint holder of a holding of NAV Shares, that joint holding is considered to be a single registered holder for the purpose of the SPP, and the joint holders are entitled to participate in the SPP in respect of that holding. If the same joint holders receive more than one (1) offer under the SPP due to multiple identical holdings, the joint holders may only apply for one (1) Maximum Parcel of NAV Shares.
- ◆ **Trustees and nominees:** If you are expressly noted on NAV's share register as a trustee or nominee for a named beneficiary, you may apply for one (1) Maximum Parcel of NAV Shares in respect of each such beneficiary. If the NAV share register does not record a named beneficiary in respect of your trustee or nominee holding, the rules for multiple single holdings apply.

To the extent that you hold Shares on behalf of another person resident outside Australia or New Zealand, it is your responsibility to ensure that any acceptance complies with all applicable foreign laws.

### Participation is optional

Participation in the SPP is entirely optional (subject to the eligibility criteria set out above). The offer to acquire NAV Shares is not a recommendation. If you are in any doubt about this offer, whether you should participate in the SPP or how such participation will affect you (including taxation implications), you should contact a professional adviser. NAV also recommends that you monitor the NAV share price.

### Offer price

The price of NAV Shares to be issued under the SPP will be determined by calculating a discount of 15% to the volume weighted average price of existing fully paid ordinary shares in NAV quoted on the ASX during the period of five (5) business days on which sales were recorded immediately prior to the Issue Date.



## Investment risks

### Market price

You should note that the NAV share price may rise or fall between the date of this offer and the date when Shares are allotted and issued to you under the SPP. As the final subscription price will not be known until the Issue Date, shareholders should be aware that if the market price rises in the period between the date of your application and the Issue Date, the number of NAV Shares you will receive will decrease but the market value of each Share will have increased. On the other hand, if the market price falls, the number of NAV Shares you will receive will increase but the market value of each Share will have decreased.

### Commodity price

The price of commodities is influenced by physical and investment demand and supply. Fluctuations in the price of commodities may influence individual projects in which the Company has an interest and the price of NAV's listed shares.

### Bronzewing Gold Project – Completion Risk

In particular shareholders should note that based on recent ASX releases the market may have factored some upside into the current NAV share price based on the assumption that the Bronzewing Gold Project acquisition will proceed and be successfully concluded.

Shareholders should be aware that completion and settlement of the Bronzewing Gold Project acquisition remains subject to material conditions precedent including, but not limited to, removal of the existing pre-emption rights held by third parties over some of the Bronzewing assets and completion of project financing.

## **How much can you invest? Compliance with ASIC Class Order 02/831**

The offer under the SPP needs to comply with requirements issued by the Australian Securities and Investments Commission Class Order [CO 02/831]. Under those requirements, Eligible Shareholders may only acquire a maximum of A\$5,000 of NAV Shares under a share purchase plan in any 12 month period. The Company has not conducted a share purchase plan in the preceding 12 months. Under the SPP an Eligible Shareholder may apply for a parcel of Shares valued at:

- ◆ Offer A: Shares totalling A\$1,000;
- ◆ Offer B: Shares totalling A\$2,000;
- ◆ Offer C: Shares totalling A\$3,000; or
- ◆ Offer D: Shares totalling A\$5,000.

Please note that as part of your application for Shares under the SPP you must certify that the aggregate application price of all your applications under the SPP does not exceed A\$5,000. The Company reserves the right to reject any application for Shares where it believes that an Eligible Shareholder has not complied with this requirement. The A\$5,000 limit applies irrespective of the number of NAV Shares you hold on the Record Date.

The Company reserves the right to reject any application for Shares under the SPP to the extent it considers that the application (whether alone or in conjunction with other applications) does not comply with these requirements.

## **Number of shares to be issued**

The number of NAV Shares that will be issued to you will depend on:

- (a) the amount you invest (A\$1,000, A\$2,000, A\$3,000 or A\$5,000); and
- (b) the issue price for each NAV Share.



The formula to calculate the number of NAV Shares is as follows:

$$\text{Number of Shares to be issued} = \frac{\text{Amount invested (A\$)}}{\text{Issue Price}}$$

The number of Shares issued to an Eligible Shareholder will be rounded up to the nearest whole number of Shares.

The number of NAV Shares that you will receive cannot be determined until the Issue Date at which time the issue price can be calculated.

### **Scaling back applications**

If, and to the extent to which, the total value of applications for Shares under the SPP exceeds \$2million, NAV reserves the right to close the SPP earlier, to scale-back applications or to accept over-subscriptions.

If a scale-back occurs, you may be allocated Shares to a value which is less than you applied for. Any determination by the Board in respect of any scaling back will be final.

If a scale-back occurs, NAV will refund any excess application money to you (without interest).

### **Non-renounceable offer**

The offer to purchase NAV Shares under the SPP is non-renounceable. You cannot transfer your right to purchase Shares under the offer to anyone else.

### **No other participation costs**

No brokerage, commission or other participation costs are payable by you in respect of the acquisition of NAV Shares under the SPP.

### **Ranking of shares**

All NAV Shares issued under the SPP will rank equally with existing NAV Shares from the date of issue, and therefore will carry the same voting rights, dividend rights and other entitlements as existing NAV Shares.

### **Binding terms**

By accepting the offer to purchase NAV Shares under the SPP, you agree to be bound by these terms and conditions and the Company's Constitution, a copy of which is available upon request.

### **How to apply for Shares under the SPP**

If an Eligible Shareholder would like to apply for NAV Shares under the SPP, please complete the enclosed Application Form and return it, together with your cheque made payable to "Navigator Resources Limited – SPP Account" and drawn in Australian currency for the correct amount, in the enclosed reply-paid envelope.

Cash is not acceptable. Receipts for payment will not be issued.



Applications may only be made for parcels of Shares in the amounts designated above. If the amount of the cheque tendered with your Application Form is:

- ◆ less than A\$1,000 – NAV will not allot any Shares and will refund your application money to you;
- ◆ greater than A\$5,000 – NAV will allot the maximum number of Shares to you (subject to any scale-back) and will refund the excess application money; or
- ◆ for an amount between A\$1,000 and A\$5,000 that is not one of the designated amounts – NAV will allot to you the number of Shares that would have been allotted had you applied for the highest designated amount that is less than the amount of the cheque, and will refund the excess application money to you.

**Applications must be received by 5.00pm (WST) on Wednesday, 10 June 2009, unless the Closing Date is otherwise extended by NAV.**

Applications and payments under the SPP may not be withdrawn once they have been received by the Company. Application money will not bear interest against NAV under any circumstances.

#### **Allotment and quotation dates**

Shares will be allotted under the SPP as soon as reasonably practicable, and NAV will apply for those Shares to be listed for quotation on the ASX.

NAV will issue, or arrange the issue of, a holding statement or confirmation advice in respect of the Shares allotted to you under the SPP. You should confirm your holding before trading in any Shares you believe have been allotted to you under the SPP.

#### **Variation and termination**

The Company may modify or terminate the SPP at any time.

NAV will notify the ASX of any modification to, or termination of, the SPP. The omission to give notice of any modification to, or termination of, the SPP or the failure of the ASX to receive such notice will not invalidate the modification or termination.

Without limiting the above, NAV may issue to any person fewer NAV Shares than the person applied for under the SPP if the issue of the NAV Shares applied for would contravene any applicable law, eligibility for relevant ASIC class order relief or the Listing Rules of the ASX.

#### **Disputes**

NAV may settle in any manner it thinks fit any difficulties, anomalies or disputes which may arise in connection with or by reason of the operation of the SPP whether generally or in relation to any participant, application or NAV Shares and the decision of NAV will be conclusive and binding on all shareholders and other persons to whom that determination relates.

The Company reserves the right to waive strict compliance with any provision of these terms and conditions. The powers of NAV under these conditions may be exercised by the Directors of NAV or any delegate of the Directors.