



NAVIGATOR RESOURCES LIMITED

ASX ANNOUNCEMENT & MEDIA RELEASE

29 October 2008

SIGNIFICANT GOLD DISCOVERY CONFIRMED BY MAJOR DRILL PROGRAM AT CARDINIA

Highlights

- ◆ Extensive RC drilling at Cardinia area confirms a significant shallow gold discovery.
- ◆ A shallow open pit at least 2km in length and up to 400m in width is expected with low waste to ore ratios and little or no need for blasting.
- ◆ Detailed RC grade control drilling indicates good continuity.
- ◆ Gold system more widespread than originally thought with excellent potential for further extensions. Revised resource estimates underway with further drilling planned.
- ◆ Mining plans in Navigator's pre-feasibility (PFS) study now being reassessed. The base case is an initial Cardinia-based Stage 1, 5 year, 1Mtpa oxide open pit development with first production in late 2009.

Drill Program Overview

Navigator commenced an 85,000m program of RC drilling in the Cardinia area of the Company's 950,000oz Leonora gold project (Figure 1) in February 2008; the drill program comprised:

- (a) 20,081m of drilling on a 32m x 20m east-west drill pattern to systematically drill out the main portion of the Cardinia gold system (Figure 2); and
- (b) 65,543m of grade control drilling on an 8m x 5m drill pattern to prove continuity of mineralisation within the system. The latter drilling provides an effective substitute for trial open pit mining and will be fully utilised in later mining.

Prior to the recent RC drilling, the drill coverage at Cardinia consisted of a discontinuous and irregular pattern of aircore and RAB drilling by several different explorers which made meaningful resource estimation and interpretation very difficult. When Navigator acquired the Leonora project in late 2004, the Cardinia resource was restricted to a 500m zone in the southern part of the Cardinia gold system.





Drill Program Results

32m x 20m RC drill program

The 32m x 20m RC drill program encountered multiple high grade zones that are more widespread than originally thought.

A summary of higher grade (plus 5 gram metre) drill results is presented in Table 1, with average total downhole gold grades colour-coded in Figure 2. Better drill intersections, which approximate estimated true width, include:

- ◆ 9m at 7.2g/t gold from 32m (NCGC02622)
- ◆ 14m at 4.0g/t gold from 28m (NCGC03109)
- ◆ 5m at 8.6g/t gold from 31m (NCGC02470)
- ◆ 18m at 2.3g/t gold from 20m (NCGC02972)
- ◆ 5m at 7.9g/t gold from 17m (NCGC02454)
- ◆ 5m at 7.7g/t gold from 28m (NCGC02687)

8m x 5m grade control drilling

Final results were also received from grade control drilling in the southern Bruno area (Figure 2). Better drill intersections (approximate true width) include:

- ◆ 12m at 10.9g/t gold from 10m (NCGC02169)
- ◆ 3m at 26.0g/t gold from 17m (NCGC02047)
- ◆ 8m at 7.5g/t gold from 7m (NCGC02148)
- ◆ 3m at 18.4g/t gold from 17m (NCGC02240)
- ◆ 7m at 7.1g/t gold from 14m (NCGC02000)
- ◆ 5m at 9.9g/t gold from 13m (NCGC02391)

Analysis of Results

The current drilling indicates that the gold bearing system is considerably more widespread than previously believed. The mineralisation has good continuity over an extensive "core" area which is now over 2km long and 400m wide (Figure 2). Other areas with less intensive drilling density show excellent potential for further extensions.

The Cardinia mineralisation is soft and near-surface (often 5-35m deep) and will have a low waste to ore (strip) ratio, with little or no need for blasting.

Drilling has also shown a series of higher grade zones of mineralisation developed over a series of deeper primary structures, the depth potential of which are still being evaluated. These higher grade zones within the broader system represent attractive "starter" open pit targets.

The grade control drilling demonstrates good continuity of mineralisation in all areas using lower cut-off grades of between 0.2g/t gold and 0.4g/t gold. The presence of very high gold grades sprinkled throughout a thicker zone of low grade mineralisation is characteristic (ASX releases 16 April 2008; 10 June 2008; 29 July 2008).

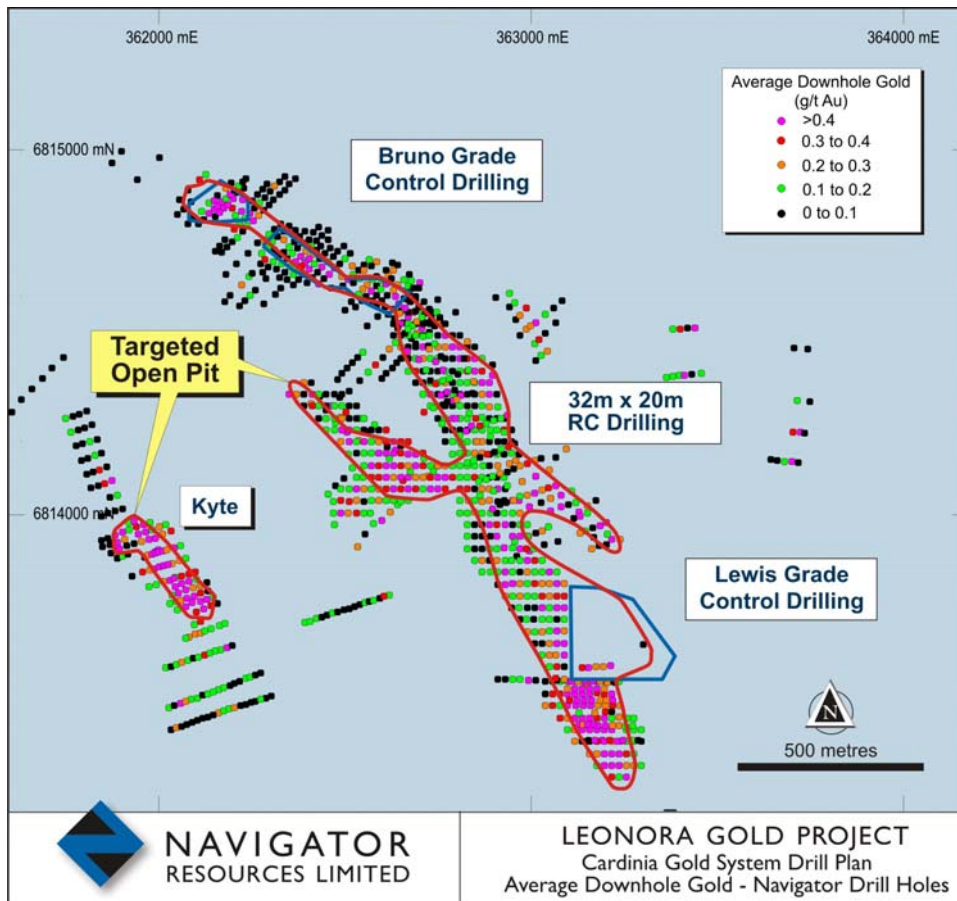
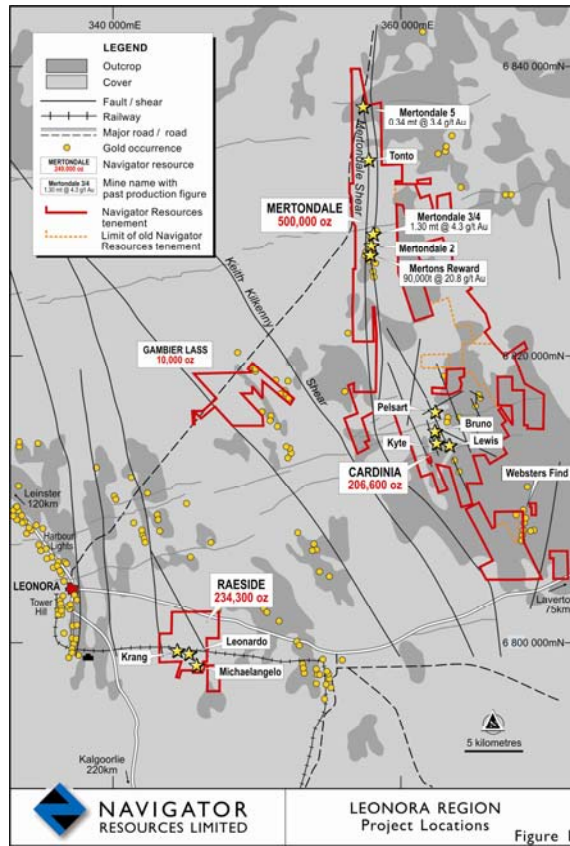


Figure 2



Resource Estimates

Modelling and revised estimates are underway as part of Navigator's ongoing feasibility studies. A JORC compliant upgrade to the current Cardinia resource (1.8Mt grading 2.4g/t gold for 136,100 ounces) is expected in early December 2008.

Development Implications

Details of the history and current status of the Leonora Gold Project are given in the section "About the Leonora Project" at the end of this release.

Navigator's pre-feasibility (PFS) study will be extended to mid December to assess the significance of the revised resource, and to adequately assess the processing options and associated costings. Positive preliminary metallurgical testwork (ASX release 17 September 2008) indicates that the Cardinia ores will require minimal crushing and milling due to the softness of the ores and further metallurgical testwork is in progress.

Scoping studies suggest an initial Cardinia-based Stage 1, 5 year, 1Mtpa open pit oxide development with first production in late 2009, however "we will keep this under review," Navigator's Managing Director Tom Sanders commented.

Mr Sanders indicated that as a result of the positive developments, Navigator will have a longer pre-feasibility study and a shorter feasibility study. "Our commissioning target of late 2009 is unchanged," Mr Sanders commented. "What matters most is delivering a long life, low capex and low opex mining solution to the maximum benefit of our shareholders. We are aiming to complete a preliminary resource, first round open pit optimisations and have more advanced process costings to apply across the project by mid December at which time we can finalise our pre-feasibility study," Mr Sanders added.

Future Work Programs

The immediate priorities at Cardinia are establishing a preliminary resource, obtaining meaningful process cost inputs to advance the feasibility process, and to conduct further drilling to further extend and upgrade the oxide resources.

RC drilling will therefore recommence at Cardinia in approximately two weeks to test for extensions to the mineralised area and to close the drill spacing to 32m x 10m where required.

About the Leonora Gold Project

Navigator is currently undertaking feasibility studies into the development of the 950,000 ounce Leonora gold project, located 30 kilometres northeast of the established mining town of Leonora, Western Australia. At the same time, the Company continues to expand and upgrade its resource inventory to create a long-life, low cost gold project.

Navigator's Leonora project has historically produced approximately 270,000 ounces of gold, mainly from the Mertondale area. Favourable infrastructure includes a network of high quality roads, an airstrip with regular services to and from Perth and proximity to the Eastern Goldfields mining supply network.



The aggressive drilling strategy Navigator has maintained at Leonora since acquisition of the project in late 2004 has resulted in the discovery of three, 2 kilometre gold systems, located at Cardinia, Mertondale and Tonto.

The resource growth potential within and outside these systems identified to date is still unfolding. In conjunction with Cardinia, the Tonto system has excellent potential for near-term, shallow resource expansion and drilling is also planned in this area to further expand Navigator's development options.

Gold deposits in the project area are associated with a series of shear zones extending over a 35 kilometre strike length from Mertondale 5 in the north to Cardinia in the south. Based on the exploration success to date, the discovery potential is high and large areas of the project remain unexplored, or untested at depth. Over 90% of the resource inventory is on granted mining leases which will simplify native title and other permitting requirements.

To facilitate early production, Navigator's initial focus has been on shallow open pit ounces.

Feasibility studies at Leonora in the early part of 2008 have focused on the 2 kilometre Cardinia gold system in the southern portion of the project. Mineralisation in the Cardinia gold system is supergene in nature and is typically shallow, soft ("free" dig) and well suited to low strip ratio open pit mining with good metallurgical recovery. The presence of significant soft oxide mineralisation provides an opportunity for sequential, low capital cost development with low operating costs.

Navigator commenced metallurgical, geotechnical, environmental, groundwater and native title assessments in early 2008 to maximise the Company's ability to advance the project rapidly once the optimal development strategy is finalised by the current PFS.



**Table 1 Cardinia RC Drill Intercept Summary
(plus 5 gram metres)**

Hole_ID	Easting (m)	Northing (m)	1.0 g/t Cutoff		
			From (m)	To (m)	Intercept (g/t Au)
NCGC02434	362650	6814536	47	49	2m at 16.8g/t
NCGC02448	362771	6814505	41	46	5m at 6.07g/t
NCGC02454	362710	6814473	17	22	5m at 7.87g/t
NCGC02457	362770	6814472	17	20	3m at 1.8g/t
NCGC02458	362789	6814473	46	50	4m at 1.75g/t
NCGC02459	362810	6814473	47	50	3m at 4.5g/t
NCGC02470	362810	6814440	31	36	5m at 8.61g/t
NCGC02472	362850	6814440	15	17	2m at 4.29g/t
NCGC02473	362870	6814440	28	30	2m at 2.71g/t
NCGC02482	362830	6814408	27	29	2m at 3.71g/t
NCGC02483	362850	6814408	5	7	2m at 5.52g/t
NCGC02484	362869	6814408	38	40	2m at 5.58g/t
NCGC02494	362870	6814376	11	13	2m at 5.57g/t
NCGC02495	362890	6814376	18	24	6m at 1.93g/t
NCGC02495			44	48	4m at 1.8g/t
NCGC02497	362730	6814344	11	21	10m at 2.13g/t
NCGC02505	362890	6814344	39	44	5m at 2.63g/t
NCGC02522	362851	6814280	41	43	2m at 5.89g/t
NCGC02532	362870	6814248	32	34	2m at 2.95g/t
NCGC02535	362930	6814248	15	17	2m at 2.72g/t
NCGC02551	362870	6814184	20	23	3m at 2.15g/t
NCGC02564	362790	6814121	2	8	6m at 2.18g/t
NCGC02567	362850	6814121	41	45	4m at 2.79g/t
NCGC02573	362830	6814088	22	25	3m at 4.58g/t
NCGC02576	362890	6814088	2	4	2m at 4.1g/t
NCGC02577	362910	6814088	12	15	3m at 6.51g/t
NCGC02582	362870	6814056	23	27	4m at 2.29g/t
NCGC02587	362970	6814057	38	41	3m at 4.88g/t
NCGC02600	362890	6813992	44	49	5m at 3.2g/t
NCGC02602	362930	6813993	14	16	2m at 14.3g/t
NCGC02613	362970	6813960	29	43	14m at 1.57g/t
NCGC02620	362930	6813929	13	15	2m at 5.33g/t
NCGC02622	362970	6813928	32	41	9m at 7.21g/t
NCGC02623	362990	6813928	28	31	3m at 3.06g/t
NCGC02628	362910	6813896	38	40	2m at 2.74g/t
NCGC02632	362990	6813896	36	38	2m at 4.31g/t
NCGC02633	363011	6813896	34	36	2m at 5.03g/t
NCGC02638	362931	6813865	3	6	3m at 2.93g/t
NCGC02638			23	26	3m at 9.64g/t
NCGC02644	363050	6813865	4	9	5m at 2.47g/t
NCGC02647	362931	6813832	19	30	11m at 1.84g/t
NCGC02648	362951	6813833	10	12	2m at 9.83g/t
NCGC02654	363070	6813833	12	15	3m at 5.72g/t
NCGC02670	363030	6813768	26	30	4m at 4.86g/t



**Table 1 Cardinia RC Drill Intercept Summary
(plus 5 gram metres, contd)**

Hole_ID	Easting (m)	Northing (m)	1.0 g/t Cutoff		
			From (m)	To (m)	Intercept (g/t Au)
NCGC02672	363070	6813769	32	41	9m at 1.86g/t
NCGC02673	363090	6813768	38	43	5m at 4.41g/t
NCGC02687	363070	6813704	28	33	5m at 7.75g/t
NCGC02693	363070	6813673	4	6	2m at 2.68g/t
NCGC02693			33	36	3m at 3.21g/t
NCGC02694	363090	6813672	27	39	12m at 2.56g/t
NCGC02697	363050	6813640	36	38	2m at 3.2g/t
NCGC02699	363090	6813640	38	44	6m at 2.87g/t
NCGC02705	363069	6813577	38	41	3m at 3.82g/t
NCGC02963	363199	6813343	3	6	3m at 4.03g/t
NCGC02964	363219	6813343	8	19	11m at 2.04g/t
NCGC02965	363239	6813342	4	20	16m at 1.25g/t
NCGC02971	363199	6813375	12	18	6m at 1.59g/t
NCGC02972	363219	6813374	20	38	18m at 2.3g/t
NCGC02974	363259	6813374	3	7	4m at 1.97g/t
NCGC02981	363199	6813406	29	33	4m at 1.31g/t
NCGC02990	363159	6813438	3	20	17m at 1.37g/t
NCGC02991	363179	6813439	14	17	3m at 3.24g/t
NCGC02992	363199	6813439	19	27	8m at 1.71g/t
NCGC02993	363219	6813438	9	11	2m at 4.68g/t
NCGC02998	363079	6813470	24	26	2m at 2.65g/t
NCGC03001	363140	6813470	4	6	2m at 3.97g/t
NCGC03002	363160	6813471	2	4	2m at 4.44g/t
NCGC03002			15	17	2m at 3.47g/t
NCGC03004	363199	6813470	6	13	7m at 1.53g/t
NCGC03004			18	20	2m at 5.15g/t
NCGC03012	363100	6813504	17	21	4m at 2.33g/t
NCGC03013	363121	6813504	7	11	4m at 2.07g/t
NCGC03013			22	24	2m at 2.48g/t
NCGC03014	363141	6813504	23	26	3m at 3.48g/t
NCGC03015	363160	6813504	8	14	6m at 2.12g/t
NCGC03018	363221	6813504	9	12	3m at 2.58g/t
NCGC03019	363240	6813504	5	10	5m at 1.92g/t
NCGC03021	363060	6813536	35	39	4m at 2.57g/t
NCGC03023	363100	6813536	27	30	3m at 2.25g/t
NCGC03024	363120	6813536	11	21	10m at 1.33g/t
NCGC03025	363140	6813536	1	7	6m at 1.91g/t
NCGC03025			23	25	2m at 2.69g/t
NCGC03026	363159	6813536	6	10	4m at 3.09g/t
NCGC03028	363200	6813536	3	10	7m at 1.77g/t
NCGC03035	363121	6813568	32	37	5m at 2.1g/t
NCGC03039	363200	6813568	15	17	2m at 2.48g/t
NCGC03044	362489	6814025	3	9	6m at 2.39g/t
NCGC03050	362490	6814057	10	13	3m at 1.67g/t
NCGC03062	362530	6814089	22	25	3m at 1.67g/t
NCGC03069	362670	6814088	10	15	5m at 1.94g/t



**Table 1 Cardinia RC Drill Intercept Summary
(plus 5 gram metres, contd)**

Hole_ID	Easting (m)	Northing (m)	1.0 g/t Cutoff		
			From (m)	To (m)	Intercept (g/t Au)
NCGC03072	362730	6814088	5	11	6m at 1.88g/t
NCGC03079	362610	6814120	1	12	11m at 1.16g/t
NCGC03081	362650	6814120	9	15	6m at 1.55g/t
NCGC03082	362670	6814120	21	23	2m at 6.84g/t
NCGC03086	362750	6814120	8	10	2m at 13.1g/t
NCGC03087	362770	6814120	10	12	2m at 11.83g/t
NCGC03089	362570	6814152	8	11	3m at 3.2g/t
NCGC03093	362650	6814152	14	17	3m at 2.09g/t
NCGC03095	362690	6814152	15	17	2m at 7.72g/t
NCGC03097	362730	6814152	11	13	2m at 2.51g/t
NCGC03105	362610	6814184	3	5	2m at 7.1g/t
NCGC03106	362630	6814184	21	24	3m at 2.22g/t
NCGC03109	362690	6814184	28	42	14m at 4.03g/t
NCGC03112	362510	6814217	19	22	3m at 1.99g/t
NCGC03114	362550	6814216	21	23	2m at 3.34g/t
NCGC03118	362630	6814216	23	27	4m at 2.79g/t
NCGC03119	362650	6814216	27	32	5m at 1.68g/t
NCGC03120	362670	6814216	39	41	2m at 3.79g/t
NCGC03123	362491	6814248	17	25	8m at 1.61g/t
NCGC03124	362510	6814248	27	32	5m at 4.22g/t
NCGC03129	362610	6814248	6	10	4m at 1.8g/t
NCGC03133	362490	6814280	30	32	2m at 2.58g/t
NCGC03142	362490	6814312	24	26	2m at 2.86g/t
NCGC03145	362350	6814344	11	18	7m at 3.11g/t
NCGC03148	362411	6814344	28	32	4m at 4.26g/t
NB: Analyses by Aqua Regia 50g; Grades uncut; All drill holes vertical Intercepts approximate estimated true width; coordinates in MGA94 Zone 51					

Further Information

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