



## NAVIGATOR RESOURCES LIMITED

### ASX ANNOUNCEMENT & MEDIA RELEASE

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31 July 2009

#### TRIAL MINING TO TAKE PLACE AT LEONORA

Navigator Resources Limited ("Navigator", ASX: NAV) advises that it intends to undertake the trial mining of approximately 75,000 tonnes of ore at its Leonora Gold Project in Western Australia to produce approximately 5,000 ounces of gold. The decision was made after the Company reached agreement with St Barbara Limited ("SBM") whereby SBM will treat the ore through its Gwalia mill at Leonora for a fixed per tonne processing charge.

The trial mining will be undertaken at two representative shallow open pit locations within Navigator's Leonora Project area with the objectives of:

- ◆ testing and verification of mining cost estimates and materials handling;
- ◆ verification of ore grades;
- ◆ verification of gold recovery; and
- ◆ determination of the optimum material blend and throughput rates.

Due to the short permitting lead time, it is anticipated that mining will commence in the December quarter of 2009 and treatment will occur in the March 2010 quarter. Navigator's commitment to the trial is subject to a minimum gold price of A\$1,150/oz. Under the terms of the agreement, all gold produced from the ore treated will be returned to Navigator for sale.

The trial parcel concept has been costed such that the operation will be cash flow positive whereby important information on materials handling, as well as geological and metallurgical aspects will be gathered for effectively no cost hence avoiding significant feasibility study testwork and costs.

This information will be invaluable in the determination of the optimum development scenario for the Leonora Project. Given positive results from the trial, subsequent treatment possibilities include a stand alone Navigator facility or the negotiation of a long term ore treatment agreement with SBM.

Navigator's Managing Director, David Hatch, commented "The negotiation of a trial processing agreement with SBM has allowed this important trial to take place and has opened up the possibility, subject to the outcome of the trial and further negotiations, of a mutually beneficial long term arrangement between the parties. The possible advantages for Navigator of such an agreement could considerably reduce the risk, capital cost and lead time in bringing the Leonora Project into production."



"Together with the Bronzewing acquisition, this could result in Navigator achieving significant gold production from two separate open pit operations in the first half of 2010. Such an outcome would substantially change the profile of the Company and lift it from junior explorer to mid size gold producer within 12 months."

**Managing Director**  
**NAVIGATOR RESOURCES LIMITED**

**For Further Information:**

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