



NAVIGATOR RESOURCES LTD
ABN 82 063 366 487

25 October 2005

Dear Shareholder,

NAVIGATOR RESOURCES LTD (“NAV”) - SHARE PURCHASE PLAN

As announced to the ASX on 11 October 2005, the Company plans to accelerate its exploration efforts at our Leonora Gold Project, where recent drilling has resulted in a doubling of the gold resource to 444,000 ounces at a cost of approximately \$2 per ounce.

Navigator’s strategy at Leonora is to increase its gold resources to obtain the critical mass to commence a sustainable mining operation. Drilling is scheduled to commence on 21 October.

Additional capital will be required to sustain the planned increased activity and your Board has resolved that a capital raising pursuant to a Share Purchase Plan is the most appropriate and efficient form of funding as it allows all shareholders the opportunity to participate.

As such, the Board is pleased to invite NAV shareholders with a registered address in Australia or New Zealand to participate in a Share Purchase Plan (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 enclosed.

The SPP offer period will open on Thursday, 20 October 2005 and will close on Monday, 28 November 2005. Given the relatively short time frame of the SPP offer period, Directors urge shareholders intending to participate in the SPP to proceed with the timely lodgement of their applications.

Navigator’s register of members shows a large number of shareholders are holding less than a marketable parcel of shares and would urge these holders to increase their holding accordingly.

If you require additional information you may wish to contact NAV’s share registry – Advanced Share Registry on (08) 9389 8033 or visit the company website www.navigatorresources.com.au.

The SPP is intended to raise up to \$1,000,000. If the total value of applications for shares exceeds \$1,000,000, the applications will be scaled back accordingly.

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 faithfully

NAVIGATOR RESOURCES LTD

Tom Sanders
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 Thursday 20 October 2005 (the Record Date) with a registered address in Australia or New Zealand. 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 offer under the SPP (for example, due to multiple registered holdings), you may only apply for one maximum parcel of NAV Shares.
- **Joint holders:** If you are recorded with one 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 offer under the SPP due to multiple identical holdings, the joint holders may only apply for one 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 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 offer price for each NAV Share under the SPP has been set at \$0.10 being the average price of NAV Shares over the 5 days prior to record date.

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. This means that the price you pay per NAV Share pursuant to this offer may be either higher or lower than the NAV Share price at the time the NAV Shares are issued and allotted to you under the SPP.

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. NAV has not conducted a share purchase plan in the preceding 12 months. Under the SPP you may apply for a parcel of Shares valued at \$2,000, \$2,500, \$3,000, and \$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 holder 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.

NAV 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.

Calculation of the number of shares to be allotted to you

Table of ranges of application monies

Shares	Price	Total cheque amount
20,000	\$0.10	\$2,000
25,000	\$0.10	\$2,500
30,000	\$0.10	\$3,000
50,000	\$0.10	\$5,000

Scaling back applications

If and to the extent to which the total value of applications for shares under the SPP exceeds \$1,000,000, NAV reserves the right to scale back applications.

If this 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 NAV's Constitution.

How to apply for Shares under the SPP

If you 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 in the table above. If the amount of the cheque tendered with your Application Form is:

- less than A\$1000 - NAV will not allot any Shares to you 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 to you; or
- for an amount between A\$1000 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 Perth time (WST) on Monday 28 November 2005

Applications received after that time will not be accepted.

Applications and payments under the SPP may not be withdrawn once they have been received by NAV. 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 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.



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Share Purchase Plan Entitlement and Acceptance Form
Offer closes 5.00pm Perth time (WST) 28 November 2005

THIS DOCUMENT IS IMPORTANT. IF YOU ARE IN ANY DOUBT AS TO HOW TO DEAL WITH IT, PLEASE CONTACT YOUR PROFESSIONAL ADVISER

Record Date: 5.00pm WST 20 October 2005
Offer closes: 5.00pm WST 28 November 2005
Anticipated Issue Date: 5 December 2005
HIN / SRN:

NON-RENOUCEABLE OFFER OF NEW NAVIGATOR RESOURCES LTD ("THE COMPANY") SHARES TO EACH HOLDER OF EXISTING FULLY PAID ORDINARY SHARES IN THE COMPANY AS AT THE RECORD DATE.

I/We _____

Insert Shareholder/s Full Name

- A. being registered at 5.00pm WST on 20 October 2005 as the holder(s) of shares in the Company hereby accept the offer made in the Share Purchase Plan dated 20 October 2005 issued by the Company ("the Plan") to subscribe for the number of Shares specified at section F below.
- B. I/We authorise you to place my/our name(s) on the register of members in respect of the number of Shares issued to me/us pursuant to this application.
- C. I/We agree to be bound by the Constitution of the Company, and the attached terms and conditions of the Share Purchase Plan.
- D. I/We enclose my/our cheque made payable to Navigator Resources Ltd-SPP Account.
- E. [I/We certify that the aggregate of the application price for the New Navigator Resources Ltd Shares the subject of this application and any other New Navigator Resources Ltd shares applied for under the terms and conditions of the October 2005 Share Purchase Plan or any similar arrangement, does not exceed \$5000.
- F. Application for Shares

To participate in the Share Purchase Plan shareholders must select only one of the 4 following alternatives. Please mark the selected box.

Offer A	Offer B	Offer C	Offer D
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
OR	OR	OR	
Number of Shares: 20,000 Payment Amount: \$2,000	Number of Shares: 25,000 Payment Amount: \$2,500	Number of Shares: 30,000 Payment Amount: \$3,000	Number of Shares: 50,000 Payment Amount: \$5,000

Return of this document with the required remittance will constitute your acceptance of Navigator Resources Ltd Shares being offered. Please refer to the attached letter for the number of Navigator Resources Ltd Shares to be issued by Navigator Resources Ltd on the issue date. The subscription price will be \$0.10

Please complete the following cheque payment details:

DRAWER	BANK	BRANCH OR BSB	AMOUNT

Cheques should be made payable to "**Navigator Resources Ltd – SPP Account**" and crossed "**Not Negotiable**" and sent to:

By post:
Navigator Resources Ltd
c/- Advanced Share Registry Services
PO Box 1156
NEDLANDS WA 6909

In Person:
Navigator Resources Ltd
c/-Advanced Share Registry Services
110 Stirling Highway
NEDLANDS WA 6009

Please ensure you submit the correct amount and allow sufficient time for your application to be received by Advanced Share Registry Services by 28 November 2005.

Telephone number where we may contact you during business hours. _____ Contact Name: _____

Offer Closes 5.00pm Perth time (WST) 28 November 2005
Applications received after the close of the offer may be accepted at the discretion of the Company.
You should allow sufficient time for postage and processing of your application.