



NAVIGATOR RESOURCES LIMITED

ASX ANNOUNCEMENT & MEDIA RELEASE

15 March 2011

PROSPECTUS LODGED AND TIMETABLE SET FOR IPO OF NAVIGATOR'S CUMMINS RANGE RARE EARTH PROJECT

Navigator Resources Limited (ASX: NAV) ("Navigator") is pleased to provide this update on the spin-off and IPO of its Cummins Range Rare Earth Project into Kimberley Rare Earths Limited ("KRE").

Key Points

- ◆ Prospectus lodged with ASIC on 14 March 2011 and is available at www.kimberleyrareearths.com.au
- ◆ Record date for the Priority Offer is 4 April 2011 ("Priority Offer Record Date")
- ◆ Record date for the pro rata distribution of free KRE shares to eligible Navigator shareholders is 16 May 2011 ("Distribution Record Date")
- ◆ Timetable released - details below

Navigator advises that the prospectus for the IPO of KRE was lodged with ASIC on 14 March 2011 and is available on the KRE website at www.kimberleyrareearths.com.au. After the statutory exposure period of 1 week, ie. on 22 March 2011, the prospectus will be posted on the ASX and Navigator websites and the public offer by KRE will open.

Priority Offer

There will be a priority offer made to all eligible Navigator shareholders on the basis of 1 KRE share for every 10 Navigator shares held at the Priority Offer Record Date ("**Priority Offer**") (fractions will be rounded to the nearest whole number). Each KRE share will be issued at the price of 20 cents per share.

The Priority Offer Record Date is **4 April 2011**. All eligible persons registered as Navigator shareholders on that date will receive the priority entitlement to apply for KRE shares.

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Public Offer

There will be a public offer of 25 million KRE shares at an application price of 20 cents per KRE share to raise up to \$5 million, as well as the balance of any KRE shares not applied for by eligible Priority Offer shareholders under the Priority Offer ("**Public Offer**").

In Specie Distribution

Following the successful completion of the Priority Offer and the Public Offer, and the admission of KRE to the Official List of the ASX, Navigator proposes to make an in specie distribution of KRE shares to eligible Navigator shareholders on a pro rata basis of 1 **FREE** KRE share for every 20 Navigator shares held on the Distribution Record Date ("**Distribution**") (fractions will be rounded to the nearest whole number).

The Distribution is subject to the approval of Navigator shareholders at an Extraordinary General Meeting (EGM) which is scheduled to be held on 6 May 2011. If Navigator shareholders approve the Distribution, then all persons who are registered as eligible Navigator shareholders on the Distribution Record Date will be entitled to participate in the free pro rata distribution of KRE shares.

Shareholders should note that there are 2 different record dates:

- 1. the Priority Offer Record Date of **4 April 2011** will determine a shareholder's entitlement to participate in the Priority Offer; and*
- 2. the Distribution Record Date of **16 May 2011** will determine a shareholder's entitlement to receive the free pro rata distribution of KRE shares under the Distribution.*

It is therefore necessary to be an eligible Navigator shareholder on both record dates to be able to participate in both offers.

Documentation

The Prospectus, Priority Offer Application Form, Notice of Meeting and Meeting Proxy Form and will be posted to eligible Navigator shareholders on 5 April 2011.

The Priority Offer will remain open until 5pm Western Standard Time on 21 April 2011 and the Public Offer will remain open until 5 May 2011.

The timetable of important dates is below:

Event	Date
Public Offer opens	22 March 2011
Last day for trading of Navigator Shares on a "cum" basis (being the entitlement to receive the Priority Offer)	29 March 2011
Priority Offer opens	4 April 2011
Priority Offer Record Date (5pm Perth time)	4 April 2011
KRE Prospectus and Notice of Meeting dispatched to Navigator Shareholders	5 April 2011



Event	Date
Priority Offer closes	21 April 2011
Public Offer closes	5 May 2011
Meeting of Navigator Shareholders to approve the Distribution	6 May 2011
Give notice to Navigator optionholders of Distribution Record Date	6 May 2011
<ul style="list-style-type: none">◆ Last day for trading of Navigator shares on a "cum" return of capital basis (being the entitlement to receive KRE shares)◆ Last day for trading of Navigator options on the existing exercise price basis	9 May 2011
<ul style="list-style-type: none">◆ Start of trading of Navigator shares on an "ex" return of capital basis (being the entitlement to receive KRE shares)◆ Start of trading of Navigator options on an adjusted exercise price basis	10 May 2011
Allotment of KRE shares under the Priority Offer and the Public Offer	13 May 2011
Distribution Record Date (5pm Perth time)	16 May 2011
Quotation date of KRE shares and KRE options	18 May 2011
Navigator distributes KRE shares to eligible Navigator shareholders under the Distribution	Within 1 month of quotation of KRE's securities

The above dates are indicative only and may vary, subject to the Corporations Act and ASX Listing Rules. The Company reserves the right to change the key dates of the Offer or Distribution without prior notice which may have a consequential impact on other dates.

Managing Director
NAVIGATOR RESOURCES LIMITED

For Further Information:

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ABOUT NAVIGATOR

Navigator Resources Limited (ASX: NAV) transitioned from explorer to gold producer in April 2010 and its objective is to build value for shareholders by becoming a highly regarded and profitable gold producer with a pipeline of advanced projects.

The Company acquired the Bronzewing Gold Project (located 960km northeast of Perth) in late 2009, and this Project recommenced production in April 2010. Navigator also continues to pursue development opportunities at the Leonora Gold Project (located 830km northeast of Perth) by initially having carried out a trial mining program.

Both gold projects are well located with respect to regional infrastructure, being in the heart of the northeastern goldfields region of Western Australia. All required mining permits and granted mining leases are in place both at Bronzewing and Leonora. The Company's medium term objective is to target 150,000oz pa of gold production from these two open pit projects.

Navigator also maintains an interest in assets in the East Kimberley region of WA, including the 100% owned Cummins Range Rare Earth Project.

ABOUT KRE

Kimberley Rare Earths (KRE) has been incorporated to be a specialist rare earths company with an initial 25% direct interest in Navigator's Cummins Range Rare Earth Project in the Kimberley region of Western Australia. KRE will also have the right to earn up to an 80% interest in the project through funding exploration and development activities through to production of a bankable feasibility study.

KRE is in the process of raising \$14.3 million through an IPO process to fund its exploration activities at Cummins Range. The Cummins Range Project is one of only a few Australian rare earths projects that has a Resource reported under the JORC Code.

The Cummins Range Project comprises 1 granted exploration licence (80/2232) with an area of 48.5km² within which is contained an independently estimated Inferred Resource, reported under the JORC Code, of 4.17Mt at an average grade of 1.72% TREO (total rare earth oxide) for 71,700 tonnes TREO, 11.0% P₂O₅ and 187ppm U₃O₈.

Competent Person Statement: The resource estimate at Cummins Range was performed by Dr Phillip Hellman, FAIG, who is a Director of Hellman & Schofield Pty Ltd and who qualifies as a Competent Person under the meaning of the 2004 JORC Code. Dr Phillip Hellman consents to the inclusion of these estimates in the form and context in which they appear.