



NAVIGATOR RESOURCES LIMITED

ASX ANNOUNCEMENT & MEDIA RELEASE

13 January 2012

PRODUCTION AND CORPORATE UPDATE

Perth-based gold producer **Navigator Resources Limited** (ASX: NAV) (**Navigator**) is pleased to provide the following update on production at the Bronzewing Gold Project (**BGP**) and other corporate matters.

Highlights

- ◆ December ore production from the Cockburn Pit of 170,000 tonnes matches Bronzewing mill capacity with run-of-mine ore for the first time in over 12 months.
- ◆ Gold production of 5,467ozs for December continues the production ramp-up, being the best month since April 2011.
- ◆ Non-equity royalty financing facility of \$4.5M concluded, with funds received on 12 January 2012.
- ◆ Highly regarded mining professional, Mr Craig Bradshaw joins the Company as Chief Operating Officer

1. Production Update: Cockburn Ramp-up Progressing

Navigator Resources Ltd (the Company) wishes to advise that its gold production ramp-up from the Cockburn Pit continues.

Run-of-mine ore mined in December was sufficient to fill the mill for the first time in more than 12 months, with 170,000 tonnes of ore mined and 172,000 tonnes of ore milled to produce 5,467ozs of recovered gold. Figure 1 below shows the Bronzewing gold production by month since January 2011.



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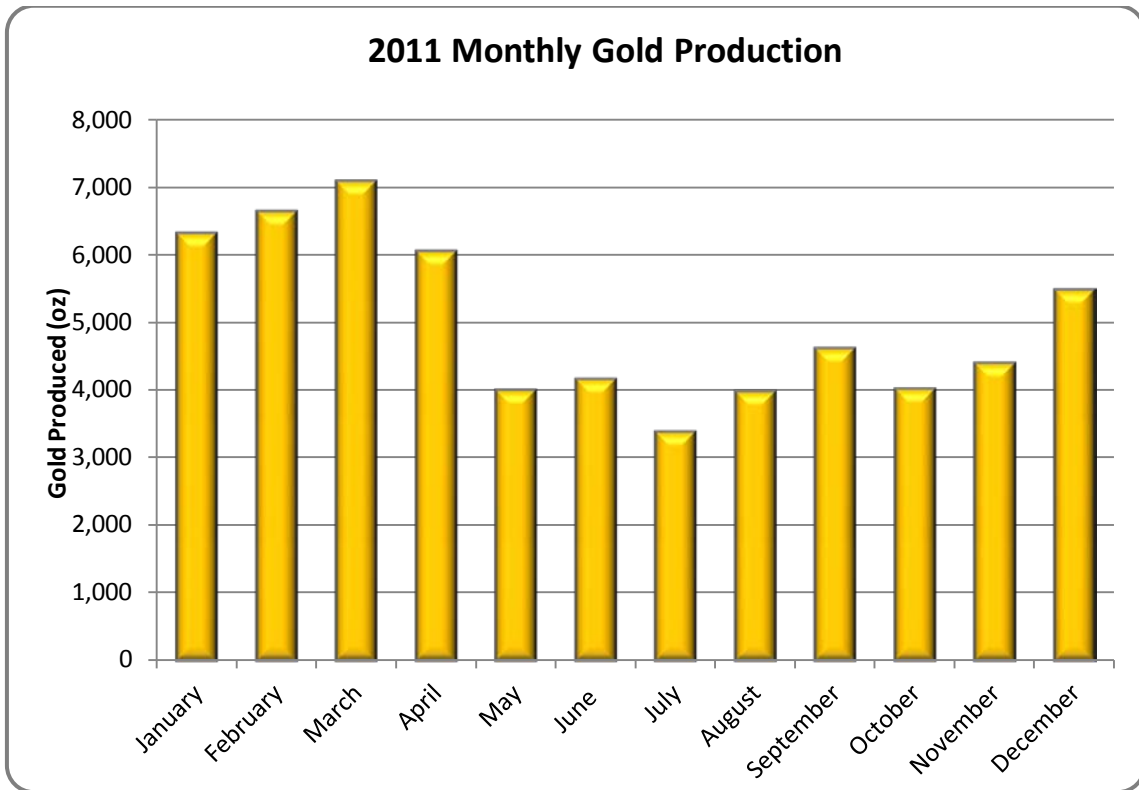


Figure 1: BGP gold production by month for the 2011 year

The Company is mining to the pit design based upon a gold price of A\$1,350/oz and has moved approximately 8.0 million BCM's of predominantly waste material during the past year. This now favourably positions the Company to mine and mill with increasing profitability in the coming years as the Cockburn Pit ore supply increases. In addition, the waste:ore stripping ratio, which is currently approximates 5.5:1.0, will reduce further with increasing depth. Ore grade is also projected to improve with depth.

Whilst the Company has established an ore reserve based upon a larger A\$1,700/oz pit design, mining to this larger design requires a further waste cutback and associated working capital in order to become established in ore. The Company will only start this larger cutback subject to a higher gold price and does not anticipate commencing mining to the final A\$1,700/oz design within the coming year.

Navigator had expected to increase gold production faster than has occurred over the past 2-3 months. Ore supply from the eastern cutback, whilst initially characterised by additional ore tonnes and ounces from a supergene enrichment zone in the upper part of the orebody, then progressed into a depletion zone during the past several months as mining proceeded towards the base of weathering. In the depletion zone, the ore grade defined by grade control drilling was less than predicted by the mine plan. The eastern cutback is now becoming increasingly established in primary, fresh rock and the grade profile of grade control drill assays is increasing.



Photo 1: View of eastern cutback looking to the north.

The western cutback at Cockburn Pit is also becoming increasingly established in ore and the Company expects that, barring wet weather events and any other unforeseeable factors, it is now in a position to provide ore supply from Cockburn Pit to meet mill capacity for the next 3 years.



Photo 2: View of western cutback looking to the south.

The Company has achieved this ramp-up despite ore production, and therefore gold output, being adversely impacted over the past 2-3 months by lower than forecast mining fleet equipment availability, which has in turn affected access to higher grade ore. The Company is well advanced with its mining fleet initiatives and expects to make announcements in this regard later in January.

2. Non-Equity Financing Facility: \$4.5 million Funding Secured

The Company is pleased to announce that it has entered into a royalty financing arrangement with existing royalty partner, Franco-Nevada. Navigator has agreed to an additional 1% royalty on ore milled through the Bronzewing plant in return for a \$4.5 million cash consideration. Navigator values its relationship with Franco-Nevada and believes this transaction to be a good outcome for shareholders.



3. Appointment of Chief Operating Officer Strengthens Management Team

Navigator is pleased to advise the appointment of highly regarded mining professional, Mr Craig Bradshaw as its Chief Operating Officer. Mr Bradshaw commences with the Company on Monday 16 January 2012. Craig has strong skills in both open pit and underground mining and was until recently the Operations Manager at the 7.0 mtpa St Ives Gold Mine, where he was responsible for 4 underground mines and 3 open pit mines as well as heap leach and Carbon-in-Pulp (CIP) processing streams.

Mr Bradshaw's appointment fills the COO role which has been vacant for over 8 months and completes a highly committed and competent operations and executive management team.

Managing Director
NAVIGATOR RESOURCES LIMITED

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ABOUT NAVIGATOR

Navigator Resources Limited (ASX: NAV) transitioned from explorer to 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 carrying out a trial mining program and ongoing targeted exploration.

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 Cummins Range Rare Earths Project.