



## NAVIGATOR RESOURCES LIMITED

### ASX ANNOUNCEMENT & MEDIA RELEASE

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2 April 2009

### BRONZEWING ACQUISITION TARGETS IMMINEENT GOLD PRODUCTION

- ◆ Navigator enters agreement to purchase the assets of the Bronzewing Gold Project subject to detailed due diligence and settlement of the purchase agreement.
- ◆ Key assets include:
  - ◆ 2.3Mtpa gold processing plant;
  - ◆ 280 person accommodation village; and
  - ◆ Resource inventory of 896,000oz (11.9Mt at 2.3g/t gold)<sup>1</sup>.
- ◆ Purchase price of \$9.55M plus \$6.45M environmental bonding liability.
- ◆ Potential for at least a three year ~100,000oz pa open pit operation commencing January 2010 based on known resource (no underground mining planned).

#### Overview

Navigator Resource Limited ("Navigator", ASX: "NAV") advises that it has entered into a conditional agreement to purchase the assets of the Bronzewing Gold Project from the Administrators of View Gold Pty Ltd and View Resources Limited (Subject to Deeds of Company Arrangement). The purchase price for the acquisition of the Bronzewing Gold Project is A\$9.55M plus the assumption of various environmental bonding obligations totalling A\$6.45M.

Subject to the completion of detailed due diligence and settlement of the purchase agreement, Navigator has identified scope to re-commission the treatment plant and start processing low grade stockpiles in November 2009. A three year open pit operation, producing ~2.0Mtpa at 1.8g/t gold (~100,000oz pa) from the Cockburn, Central, Success and Challenger South deposits, can potentially commence in January 2010.

Navigator considers that an open pit (only) mining approach at the current gold price, which is substantially higher than when Bronzewing was closed in early 2008, has the potential to establish the company as a two-project gold production company. Subject to completion of the acquisition, and a favourable BFS result at Leonora, the cash flow from Bronzewing will create a platform to fund the Leonora Gold Project.

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<sup>1</sup> Refer Table 1





The Bronzewing Gold Project assets comprise:

- ◆ Mining tenements covering approximately 1,000km<sup>2</sup> with a global resource of 896,000oz (11.9Mt at 2.3g/t gold; Table 1);
- ◆ The resource includes low grade stockpiles of 850,000t at 0.5g/t gold (14,000oz);
- ◆ 2.3Mtpa gold processing plant including a 3.5MW SAG mill and crushing circuit, stripping circuit and gold room;
- ◆ Airstrip, power station and fuel farm, water supply infrastructure and access roads;
- ◆ Miscellaneous plant and equipment, light vehicles and consumables;
- ◆ A 280 person accommodation village including recreational facilities; and
- ◆ Surface workshops, mine offices and assay laboratory.



Key infrastructure has been on care and maintenance since operations ceased in February 2008.

The purchase agreement is subject to a number of conditions including:

1. Completion of technical due diligence within 10 business days;
2. The grant of various consents under agreements relating to the Bronzewing Gold Project and the waiver or non exercise of certain pre-emptive rights relating to some assets;
3. Completion of various tenement maintenance procedures;
4. Ministerial approval;
5. Navigator obtaining funding; and
6. Navigator obtaining any regulatory approvals or shareholders' approvals required under ASX Listing Rules.

Navigator has until 30 June 2009 to satisfy all conditions, with Completion to take place 30 days after the conditions have been satisfied or waived.

Navigator has engaged Coffey Mining to undertake a detailed independent due diligence review of technical project aspects in order to determine the ability of the project to meet forecast production from open cut sources of material from the Cockburn, Central, Success and Challenger South deposits. The due diligence review will incorporate resource estimates, mine design, processing and plant re-commissioning, infrastructure, environmental and social aspects, mining and processing costs and risk analysis.

Navigator has estimated overall funding requirements of ~\$30M to purchase the Bronzewing gold assets and commence production. Preliminary discussions have commenced with a number of potential senior and mezzanine debt fund providers and will progress during the due diligence period. Navigator has appointed New Holland Capital as corporate advisors to assist with the acquisition and funding of the Bronzewing Gold Project.



## Resource

Resource estimates for the Bronzewing Gold Project are summarised below in Table 1. Resources for the Cockburn, Central and Success open pit areas follow a review of the 31 December 2007 resource estimates (View Resources Limited, December 2007 Quarterly Report) by Navigator. The resource summary in Table 1 is inclusive of early 2008 production of approximately 17,000oz gold from various sources.

| Deposit                  | Indicated         |              |                   | Inferred          |              |                   | Total             |              |                   |
|--------------------------|-------------------|--------------|-------------------|-------------------|--------------|-------------------|-------------------|--------------|-------------------|
|                          | Tonnes<br>(000's) | Grade<br>g/t | Ounces<br>(000's) | Tonnes<br>(000's) | Grade<br>g/t | Ounces<br>(000's) | Tonnes<br>(000's) | Grade<br>g/t | Ounces<br>(000's) |
| Cockburn Open Pit        | 3,073             | 1.9          | 187               | 632               | 1.6          | 32                | 3,705             | 1.9          | 219               |
| Success Open Pit         | 182               | 2.8          | 16                |                   |              |                   | 182               | 2.8          | 16                |
| Central Pit              | 2,097             | 2.0          | 135               |                   |              |                   | 2,097             | 2.0          | 135               |
| Corboys *                | 1,270             | 1.9          | 78                | 1,030             | 1.8          | 60                | 2,300             | 1.9          | 138               |
| Cockburn Underground *   | 1,605             | 4.6          | 237               | 777               | 4.4          | 110               | 2,382             | 4.6          | 347               |
| Bronzewing Underground * | 364               | 2.3          | 27                |                   |              |                   | 364               | 2.3          | 27                |
| <b>Subtotal</b>          | <b>8,591</b>      | <b>2.5</b>   | <b>680</b>        | <b>2,439</b>      | <b>2.6</b>   | <b>202</b>        | <b>11,030</b>     | <b>2.5</b>   | <b>882</b>        |
| Low Grade Stockpiles *   | 850               | 0.5          | 14                |                   |              |                   | 850               | 0.5          | 14                |
| <b>Total Resources</b>   | <b>9,441</b>      | <b>2.3</b>   | <b>694</b>        | <b>2,439</b>      | <b>2.6</b>   | <b>202</b>        | <b>11,880</b>     | <b>2.3</b>   | <b>896</b>        |

*\* Mineral Resources at Corboys, Cockburn Underground, Bronzewing Underground and the Low Grade Stockpiles formed part of a View Resources Limited Quarterly Report for Period Ended December 2007 lodged with ASX on 25<sup>th</sup> January 2008. These resources are yet to be reviewed by Navigator Resources or an independent party.*

## About Bronzewing

The Bronzewing Gold Project, located approximately 83km northeast of Leinster and 800km northeast of Perth, comprises the Bronzewing and McClure group of mines within a semi-contiguous landholding of approximately 1,000km<sup>2</sup>. The Bronzewing deposit was discovered in 1992 and was developed at an initial cost of US\$59M in 1994. Normandy Mining acquired the Bronzewing operation in 1999 and was subsequently taken over by Newmont Mining in 2002.

The operation had produced 2.9Moz before being sold to View Resources' subsidiary View Gold for A\$9M (plus a 1% NSR royalty on future production) in 1994. View subsequently commenced a combined open pit and underground operation in April 2007, however the operation was closed in March 2008 due to under-performance in underground mining areas, inadequate working capital, and a tight operating margin at a time when the gold price was approximately A\$950 per ounce.

## Further Information

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*This report contains forward looking statements that are subject to risk factors associated with resource businesses. It is believed that the expectations reflected in these statements are reasonable but they may be affected by a variety of variables and changes in underlying assumptions which could cause actual results or trends to differ materially, including but not limited to: price fluctuations, actual demand, currency fluctuations, drilling and production results, reserve estimates, loss of market, industry competition, environmental risks, physical risks, legislative, fiscal and regulatory developments, economic and financial market conditions in various countries and regions, political risks, project delay or advancement, approvals and cost estimates.*

*Sections of information contained within this report that relate to Mineral Resources at Cockburn Open Pit, Success Open Pit and Central Open Pit are based on information reviewed by Bernard Kirkpatrick, who is a full-time employee of Navigator Resources Limited and is a Member of the Australasian Institute of Mining and Metallurgy. It is also intended that these resource estimates will be further reviewed by an independent party as part of a more detailed due diligence study. Bernard Kirkpatrick has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he has undertaken to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Bernard Kirkpatrick consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.*