



**NAVIGATOR**  
RESOURCES LIMITED

**ASX ANNOUNCEMENT & MEDIA RELEASE**

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6 June 2011

**SALE OF ADDITIONAL INTEREST IN CUMMINS RANGE  
TO KRE**

**Navigator Resources Limited (ASX: NAV) ("Navigator")** is pleased to advise that it has agreed terms with the Board of Kimberley Rare Earths Ltd ("**KRE**") for Navigator to sell an additional interest in the Cummins Range Rare Earths Project to KRE.

Under the terms of the conditional agreement, Navigator will sell 30% of the Cummins Range Project to KRE for the total consideration of \$6.5 million comprised of \$4.5 million cash and \$2 million in KRE shares (to be valued at the 5 day VWAP for KRE on the 5 trading days prior to the date of the offer). The transaction will be subject to a fair and reasonable conclusion by an Independent Expert on behalf of KRE shareholders, the approval of KRE shareholders at a general meeting and the approval of RMB Australia, as security holders over the Navigator asset.

During the negotiation of terms, Navigator was represented by the independent board members. Importantly for Navigator, it will move from approximately 9% equity in KRE to approximately 15% equity (after taking into account the in specie share distribution to Navigator shareholders) as well as receiving \$4.5 million in cash.

This sale will, subject to KRE shareholder approval, immediately increase the direct ownership of Cummins Range by KRE from 25% to 55%. Under the agreement, KRE will then spend an additional \$10 million on exploration and development on the Project to take its ownership to 85%. At that point, Navigator must elect to either contribute to the development of the project or revert to a 1.5% royalty.

Under the IPO and current JV Agreement terms, KRE holds a 25% share in the Cummins Range tenement and has the right to earn an additional 30% (to take it to 55%) through funding \$10 million of exploration activities over 4 years. At that point, KRE could free carry Navigator to earn up to 80% of the project.

The new agreement, upon approval by KRE shareholders will allow KRE to take an immediate majority stake in the project. The additional direct equity in the project will confirm KRE as the majority owner with the ability to advance the project in the direction it requires and as quickly as it deems fit.





Managing Director David Hatch advised that "I understand there was strong desire from the KRE independent Board committee for KRE to move to a greater ownership position in the Cummins Range Project sooner rather than later. The sale is also in line with Navigator's strategy of focusing on its wholly owned gold projects at Bronzewing and Leonora. I believe that the transaction as structured meets these objectives and is a win-win outcome for both parties."

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

**For Further Information:**

Please direct any queries, or requests for further information, to:

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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 having carried 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 north eastern 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 Earth Project.