NAVIGATOR RESOURCES LTD

ACN 063 366 487

8 October 2004

Company Announcements Office
Australian Stock Exchange
PO Box H224, Australia Square
Sydney NSW 2000

via electronic lodgement (1 page)

PLACEMENT OF SHARES AND OPTIONS

Navigator Resources Ltd (Navigator) is pleased to announce that the Company has reached agreement with Montagu Stockbrokers Pty Ltd to place 6,700,000 ordinary fully paid shares with a one for two option entitlement (20c exercise 30 June 2007 expiry) at an issue price of 12 cents to raise $804,000.

The issue is being undertaken in two tranches, with the first tranche comprising 4,200,000 shares placed pursuant to the Company's 15% placement authority. The second tranche, being 2,500,000 shares and 3,350,000 options, will be placed subject to shareholder approval at the Company's forthcoming Annual General Meeting notice for which will be forwarded to shareholders shortly.

The funds raised pursuant to this placement will principally be used to fund the drilling and evaluation of the recently acquired Leonora project, which has Inferred Resources of 221,500 ounces of gold (ASX release 17-6-04).

Tom Sanders
Managing Director

A colour version of this release can be found at www.navigatorresources.com.au
For further information please contact Tom Sanders or Simon Coxhell on Ph 08 92265311

Information in this report was compiled by Mr T Sanders and Mr S Coxhell who are competent persons as defined in the Australasian Code for Reporting of Identified Mineral Resources and Ore Reserves, September 1999, and accurately reflects the information compiled by those competent persons.