

NAVIGATOR RESOURCES LTD

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QUARTERLY REPORT MARCH 2005

HIGHLIGHTS

- Drilling indicates a fourfold increase in strike length of shallow high-grade mineralisation from 0.5kms to 2.0 kms on the Bruno-Lewis trend (Cardinia area; Leonora Project) – a potentially significant gold discovery.
- Shallow high-grade drill intersections on the Bruno-Lewis zone include :-
 - 6m @ 8.91 g/t Au from 16m, 14 m @ 3.44 g/t Au from 17m, 4m @ 6.61 g/t Au from 22m, 3m @ 7.67g/t Au from 27m, 3m @ 5.88 g/t Au from 14m, and 11m @ 2.57 g/t Au from 13m (January 2005 drilling).
 - 9m @ 5.45 g/t Au from 27m, 2 m @ 25.92 g/t Au from 29m, 7m @ 2.91 g/t Au from 10m, 5m @ 3.22 g/t Au from 44m, 3m @ 7.44 g/t Au from 36m, 2m @ 12.74 g/t Au from 22m, and 2m @ 11.20g/t Au from 17m (April 2005 drilling).
- Resource delineation drilling to commence at Cardinia in early May to expand current global Leonora resource of 221,500 ounces (ASX release 17-6-04).
- 100% equity rights to Leonora Project secured - pre-emptive right on buy back right held by Sons of Gwalia Ltd (Administrators Appointed) exercised.
- \$771,500 raised via placement of 6,429,500 ordinary fully paid shares – cash position \$1.8m.
- Plans advanced to joint venture East Kimberley projects.

OPERATIONAL PROGRESS

LEONORA PROJECT (100% NAVIGATOR)

Background

The Leonora Project comprises four separate work areas - Cardinia, Mertondale, Raeside and Gambier Lass (Figure 1) with a global resource inventory of 221,500 ounces of gold on granted mining leases. The Cardinia and Mertondale areas form one contiguous tenement block that covers a strike length of approximately 30 kilometres along the Mertondale-Cardinia shear zone.

The operational focus during the March quarter was in the Cardinia area where two phases of air core drilling were completed comprising 138 drill holes for a total of 6,748m.

Multiple geochemical and structural targets were identified in the lightly explored 13 kilometre zone extending north of Cardinia to the Mertondale 2/3/4 area (previous production 240,000 ounces). These and similar targets identified in the 10 kilometre zone between the Mertondale 2/3/4 and Mertondale 5 (previous production 37,000 ounces) areas will shortly be assessed in the field.

Resource evaluation studies in the Mertondale, Raeside and Gambier Lass areas are ongoing.

Navigator's objective at Leonora is to increase the oxide gold resource amenable to open pit mining and advance towards a feasibility study towards the end of 2005.

Operational Overview

Two air core drill phases were undertaken in the Cardinia area in January and April 2005 respectively. The location of this drilling in relation to current resources at Cardinia is shown on Figure 2.

The January 2005 drill phase at Cardinia, comprising 54 holes for 2,249 metres, encountered high-grade, shallow mineralisation at the Bruno, Inglewood, BIF and Quartz Blow prospects (ASX release 18-2-05). A summary of significant intersections is presented in Table 1.

Geological analysis of the results indicated that these prospects form part of a single, larger gold system (Figure 2). Better drill results at the Bruno prospect include: - 6m @ 8.91 g/t Au from 16m, 14 m @ 3.44 g/t Au from 17m, 4m @ 6.61 g/t Au from 22m, 3m @ 7.67g/t Au from 27m, 3m @ 5.88 g/t Au from 14m, and 11m @ 2.57 g/t Au from 13m.

Mineralisation at Bruno is associated with a cohesive, apparently supergene blanket of gold mineralisation that is open along strike. The shallow and high-grade nature of the intersections is promising given the strongly weathered ("free-dig") environment.

An interpretation of the January drill results in conjunction with the historical data indicates a series of deeply weathered faults linking the Bruno prospect in the north to the Lewis prospect in the south - a distance of approximately 2.0 kilometres with an Inferred Resource of 806,000 tonnes at 1.9 g/t gold located on the southern margin (Lewis prospect; ASX release 17-6-04).

In April 2005 a second phase of air core drilling was completed to scope the distribution of gold mineralisation along the Bruno-Lewis trend (ASX release 27-4-05) - a summary of significant intersections relating to this program is presented in Table 2.

More significant drill intersections on the Bruno-Lewis trend include:-

9m @ 5.45 g/t Au from 27m, 2 m @ 25.92 g/t Au from 29m, 7m @ 2.91 g/t Au from 10m, 5m @ 3.22 g/t Au from 44m, 3m @ 7.44 g/t Au from 36m, 2m @ 12.74 g/t Au from 22m, and 2m @ 11.20g/t Au from 17m.

These results are particularly encouraging and indicate excellent scope to increase the strike length of potentially economic mineralisation on the Bruno-Lewis trend from 0.5 kilometres to 2.0 kilometres.

Preliminary geological analysis suggests that much of the mineralisation is best developed over and along several deeply weathered, sub-vertical, northwest-trending structures and is supergene in nature. The depth potential along these structures is largely untested.

Air core drilling at Cardinia will re-commence in early May to reduce the drill pattern along the Bruno-Lewis trend to 40m as an initial step in upgrading the resource.

EAST KIMBERLEY PROJECTS (100% NAVIGATOR)

Plans were advanced to joint venture the Company's East Kimberley projects in order to maintain the operational focus on Leonora, increase the in-ground expenditure and manage the exploration risk. Work in the March 2005 quarter was limited to data compilation, reporting and office studies.

CORPORATE

Navigator has agreed to exercise its pre-emptive right to purchase the earn-in rights held by Sons of Gwalia (Administrators Appointed) for a consideration of \$5,000 thereby consolidating 100% equity rights to the Leonora gold project and securing the upside that the Leonora project presents to its shareholders.

Simon Coxhell resigned as Director and Exploration Manager effective 8 April 2005 to pursue other business interests. The board would like to take this opportunity to thank Simon for his contribution and wish him well with his future endeavours. Navigator is pleased to confirm the appointment of Mr Alan Downie as Exploration Manager of the Company. Alan was recently Managing Director of Batavia Mining Limited and has also worked for Normandy Mining Limited as District Manager – South East District, and WMC Limited as Geologist in Charge - Lanfranchi, Schmitz and Foster Mines at Kambalda

\$771,500 was raised via a placement of 6,429,500 ordinary fully paid shares at an issue price of 12 cents to fund further exploration activities at the Leonora project (ASX release 6-4-05). The Company has 49,292,934 ordinary shares on issue and a cash position of \$1.8m.

Yours faithfully



TOM SANDERS
Managing Director
Navigator Resources Limited

Information in this report was compiled by Mr T Sanders who is a Competent Person as defined in the Australasian Code for Reporting of Identified Mineral Resources and Ore Reserves, September 1999, who has not less than 10 years experience in the relevant fields and who consents to the report appearing in the form and context in which it appears.

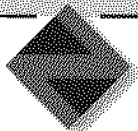
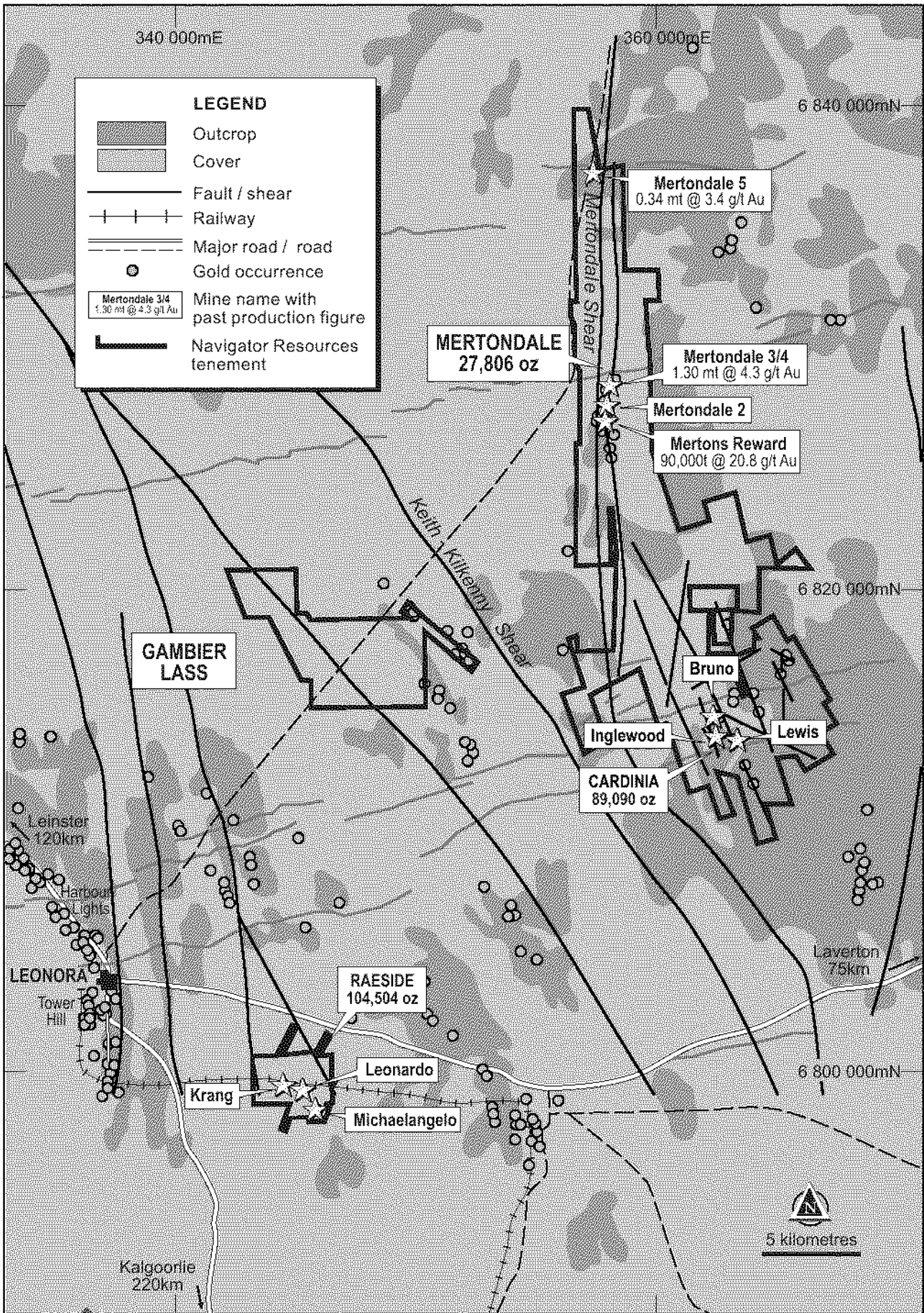
TABLE 1: LEONORA Significant Aircore Drilling Intersections January 2005

Hole ID	Prospect	MGA Coordinates		Azimuth	Dip	Depth (m)		Intersection Au (g/t)
		Northing	Easting			From	To	
NEAC001	Bruno	6814833	362140	225	-60	27	30	3m @ 7.67
NEAC002	Bruno	6814843	362150	225	-60	22	26	4m @ 6.61
						39	40	1m @ 4.94
NEAC003	Bruno	6814854	362161	225	-60	13	18	5m @ 2.86
NEAC004	Bruno	6814864	362172	225	-60	13	24	11m @ 2.57
NEAC006	Bruno	6814886	362193	225	-60	11	20	9m @ 2.16
NEAC008	Bruno	6814907	362214	225	-60	45	47	2m @ 3.21
NEAC010	Bruno	6814789	362204	225	-60	32	34	2m @ 6.37
NEAC011	Bruno	6814804	362215	225	-60	22	24	2m @ 2.62
NEAC012	Bruno	6814819	362227	225	-60	14	15	1m @ 4.11
NEAC013	Bruno	6814834	362238	225	-60	14	17	3m @ 5.88
NEAC015	Bruno	6814845	362198	225	-60	19	25	6m @ 2.53
NEAC016	Bruno	6814875	362225	225	-60	16	22	6m @ 8.91
NEAC017	Bruno	6814860	362185	225	-60	17	31	14m @ 3.44
NEAC018	Bruno	6814830	362207	225	-60	32	33	1m @ 3.96
NEAC019	Bruno	6814700	362282	225	-60	17	18	1m @ 16.0
NEAC021	Bruno	6814760	362342	225	-60	21	22	1m @ 2.62
						44	45	1m @ 5.38
NBAC001	BIF	6814240	363710	270	-60	8	12	4m @ 2.92
NBAC002	BIF	6814240	363730	270	-60	30	38	8m @ 2.68
NIAC032	Inglewood	6813882	362012	245	-60	13	16	3m @ 1.33
						19	22	3m @ 2.98
NIAC033	Inglewood	6813888	362025	245	-60	17	24	7m @ 2.14
NIAC036	Inglewood	6813846	362025	245	-60	8	11	3m @ 3.58
NIAC037	Inglewood	6813852	362040	245	-60	16	29	13m @ 2.66
NQAC002	Quartz Blow	6814525	363410	265	-60	38	40	2m @ 4.00
NQAC004	Quartz Blow	6814525	363458	265	-60	18	22	4m @ 2.58
						33	35	2m @ 1.83
NLAC040	Lewis	6813476	363200	270	-60	13	14	1m @ 1.93
						18	19	1m @ 4.74
NLAC046	Lewis	6813570	363005	270	-60	5	12	7m @ 1.15
NLAC050	Lewis	6813570	363110	270	-60	13	19	6m @ 1.44
NLAC051	Lewis	6813610	363140	268	-60	33	39	6m @ 2.25
NLAC052	Lewis	6813610	363160	268	-60	20	22	2m @ 8.44
NLAC054	Lewis	6813610	363200	270	-60	6	7	1m @ 6.29
NLAC055	Lewis	6813610	363220	268	-60	16	19	3m @ 2.43
						29	30	1m @ 11.60

Analysis: Aqua Regia, Atomic Absorption Spectrometry, 50g sample
Results listed comprise intersections >2m @ 1g/t Au

TABLE 2: LEONORA Significant Aircore Drilling Intersections April 2005									
Hole ID	NORTH	EAST	Depth	Dip	Azimuth	From	To	Intersection	Comment
NCAC009	6814640	362221	65	-60	225	58	60	2m @ 3.22	or 3m @ 2.55
NCAC011	6814589	362283	52	-60	225	37	38	1m @ 1.15	
NCAC015	6814682	362376	57	-60	225	18	19	1m @ 1.27	
						50	52	2m @ 1.97	
NCAC016	6814701	362392	54	-60	225	10	15	5m @ 3.22	or 7m @ 2.91
						21	23	2m @ 3.34	or 1m @ 6.19
						44	45	1m @ 1.49	
						46	47	1m @ 1.36	
NCAC017	6814721	362415	67	-60	225	12	13	1m @ 1.45	
						20	21	1m @ 2.14	
						50	51	1m @ 1.73	
						65	67	2m @ 2.71	
NCAC020	6814573	362500	76	-60	225	30	31	1m @ 2.42	
NCAC022	6814616	362537	71	-60	225	19	20	1m @ 1.56	
						28	29	1m @ 4.89	
NCAC023	6814640	362559	75	-60	225	18	23	5m @ 2.22	or 2m @ 3.06
NCAC028	6814314	362463	42	-60	225	36	39	3m @ 7.44	
NCAC032	6814405	362563	42	-60	225	11	12	1m @ 1.07	
NCAC033	6814425	362582	42	-60	225	12	14	2m @ 2.55	
						20	21	1m @ 1.58	
						23	24	1m @ 3.31	
						41	42	1m @ 2.47	EOH at 42m
NCAC035	6814466	362619	42	-60	225	19	20	1m @ 7.13	
						32	33	1m @ 1.09	
NCAC036	6814485	362638	42	-60	225	25	26	1m @ 1.17	
NCAC037	6814508	362661	42	-60	225	22	23	1m @ 1.04	
NCAC038	6814529	362682	65	-60	225	31	32	1m @ 1.25	
						36	37	1m @ 3.31	
NCAC039	6814553	362707	63	-60	225	18	20	3m @ 1.24	
NCAC042	6814481	362743	69	-60	225	15	16	1m @ 2.94	
NCAC043	6814433	362745	42	-60	225	17	19	2m @ 11.20	or 1m @ 21.10
NCAC045	6814411	362763	42	-60	225	22	24	2m @ 12.74	or 1m @ 24.90
						29	30	1m @ 4.68	
NCAC046	6814296	362712	42	-60	250	11	13	2m @ 1.37	
						18	19	1m @ 1.01	
						37	38	1m @ 3.68	
NCAC047	6814307	362739	42	-60	250	14	15	1m @ 2.22	
						25	26	1m @ 1.01	
NCAC049	6814328	362788	42	-60	250	27	36	9m @ 5.45	or 6m @ 7.48
NCAC052	6814539	363013	50	-60	225	28	30	2m @ 1.16	
						34	37	3m @ 3.45	or 2m @ 4.49
						39	41	2m @ 1.23	
						44	49	5m @ 3.22	or 3m @ 4.22
NCAC056	6814123	363014	78	-60	250	19	21	2m @ 3.46	or 4m @ 2.24
						24	25	1m @ 1.77	
						45	46	1m @ 1.14	
						56	57	1m @ 1.26	
						67	69	2m @ 4.78	or 1m @ 8.53
NCAC057	6814139	363052	67	-60	250	27	29	2m @ 1.23	
NCAC059	6814196	363097	54	-60	235	11	12	1m @ 2.24	
						13	15	2m @ 1.63	
NCAC060	6814025	363131	58	-60	235	29	31	2m @ 25.92	or 1m @ 49.90
NCAC061	6814043	363152	30	-60	235	26	28	2m @ 1.69	
NCAC063	6813934	362534	22	-60	225	12	13	1m @ 2.17	
NCAC066	6814005	362601	31	-60	225	7	9	2m @ 1.41	
						12	13	1m @ 5.45	or 2m @ 2.99
NCAC073	6814469	363709	57	-60	270	6	7	1m @ 1.41	
NCAC088	6816321	361975	87	-60	225	75	84	9m @ 1.19	assay peak 3.01

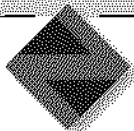
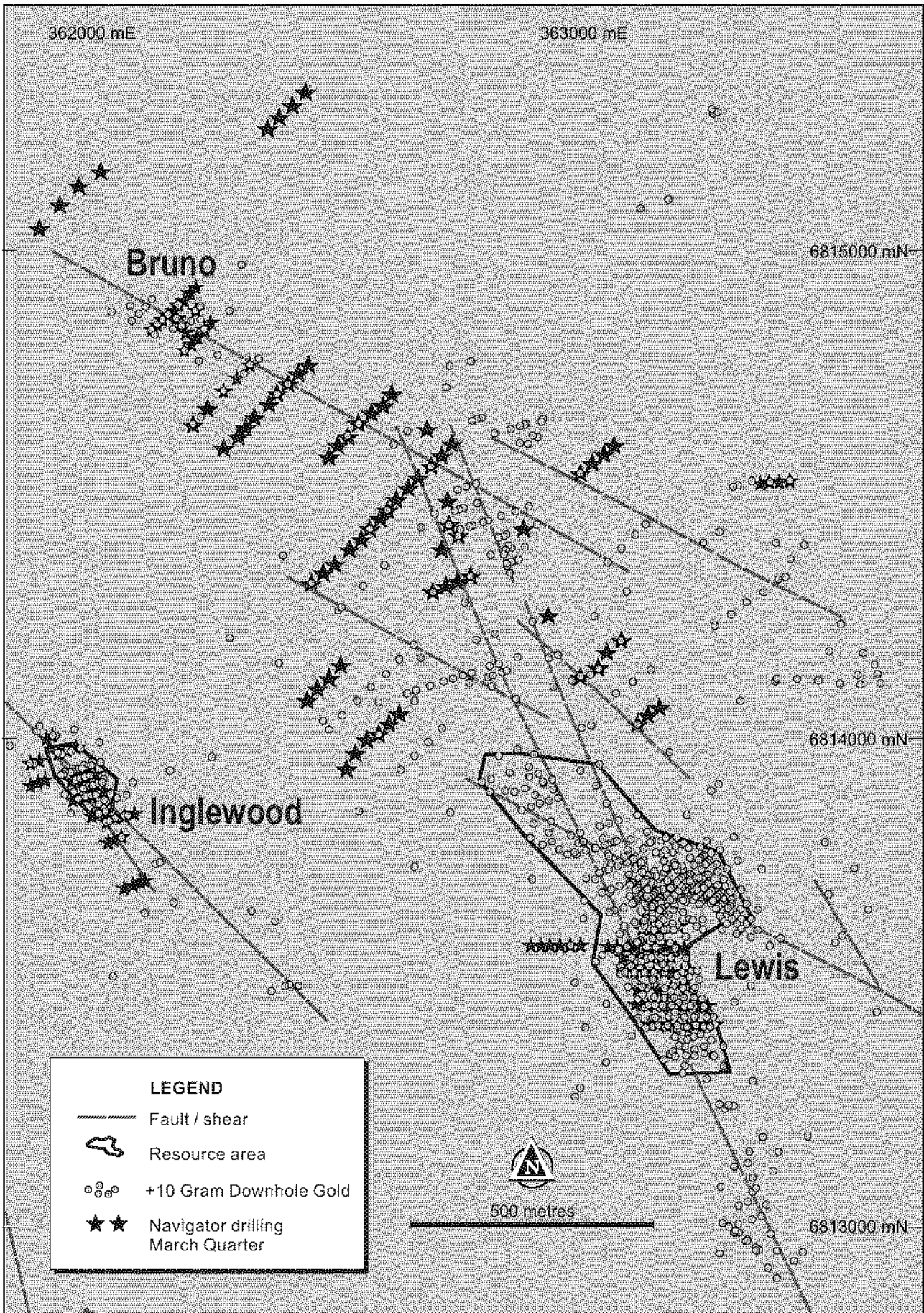
Analysis: Aqua Regia Atomic Absorption Spectrometry, 50g sample; grades are uncut; co-ordinates GDA 94 Zone 51



**NAVIGATOR
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**LEONORA REGION
Project Locations**

Figure 1



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LEONORA PROJECT
Cardinia Area
Plus 10 g/t Downhole Gold

Figure 2

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

NAVIGATOR RESOURCES LIMITED

ABN

82 063 366 487

Quarter ended ("current quarter")

31 March 2005

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (9 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors		
1.2 Payments for		
(a) exploration and evaluation	(47)	(1,252)
(b) development	-	-
(c) production	-	-
(d) administration	(169)	(380)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	25	43
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other – rental income		
Net Operating Cash Flows	(191)	(1,589)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a)prospects	-	(110)
(b)equity investments	-	-
(c) other fixed assets	-	(36)
1.9 Proceeds from sale of:		
(a)prospects		
(b)equity investments		
(c)other fixed assets		
1.10 Loans to other entities		
1.11 Loans repaid by other entities		
1.12 Other (provide details if material)		
Net investing cash flows	-	(146)
1.13 Total operating and investing cash flows (carried forward)	(191)	(1,735)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(191)	(1,735)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	772	1,706
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other – Costs of share issue	(20)	(56)
	Net financing cash flows	752	1,650
	Net increase (decrease) in cash held	561	(85)
1.20	Cash at beginning of quarter/year to date	1,245	1,891
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	1,806	1,806

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	108
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Payments made to related parties comprise directors salaries, fees and insurance and vehicle hire expenses.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

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2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

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+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	250
4.2 Development	-
Total	250

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	833	272
5.2 Deposits at call		-
5.3 Bank overdraft		-
5.4 Other (commercial bills and bank guarantee)	973	973
Total: cash at end of quarter (item 1.22)	1,806	1,245

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	E80/2725	100%	100%	0%
6.2 Interests in mining tenements acquired or increased	P37/6835 to P37/6871 (inclusive; 37 applications)	100%	0%	100%

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

+ See chapter 19 for defined terms.


Appendix 5B
Mining exploration entity quarterly report

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference securities <i>(description)</i>	NIL			
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 *Ordinary securities	49,292,934	45,879,171		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	6,429,500	6,429,500	12 cents per share	12 cents per share
7.5 *Convertible debt securities <i>(description)</i>	NIL			
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>	2,000,000 2,000,000 18,350,000	- - 18,350,000	<i>Exercise price</i> 20C 20C 20C	<i>Expiry date</i> 30/06/2006 29/06/2007 30/06/2007
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 Debentures <i>(totals only)</i>	NIL			
7.12 Unsecured notes <i>(totals only)</i>	NIL			

+ See chapter 19 for defined terms.

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act 2001.
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here: 
Director

Date: 29.04.05

Print name: TOM SANDERS

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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+ See chapter 19 for defined terms.