NAVIGATOR RESOURCES LIMITED

ABN 82 063 366 487

4 April 2006

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

via electronic lodgement

Aegis Corporate Insights: Analyst interview with Navigator Resources MD, Mr Tom Sanders

Please find attached the transcript of the abovementioned interview with Mr Tom Sanders.

Any resources or reserves referred to in the transcript have been previously released to the market.

Tom Sanders
Managing Director

The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by Mr Alan Downie and Mr Tom Sanders who are Members of the Australasian Institute of Mining and Metallurgy. Mr Alan Downie and Mr Tom Sanders are full time employees of Navigator Resources Limited and have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity undertaken to qualify as Competent Persons as defined in the 2004 Edition of the "Australian Code for Reporting of Mineral Resources and Ore Reserves". Mr Alan Downie and Mr Tom Sanders consent to the inclusion in this report of the matters based on information in the form and context in which it appears.

Suite 2,
47 Ord Street,
West Perth WA 6005
Website: www.navigatorresources.com.au

PO Box 276, West Perth WA 6872
Telephone: 08 9226 5311
Facsimile: 08 9226 5411
Email: navigator@navigatorresources.com.au

Aegis Corporate Insights

Navigator Resources Ltd

ASX	NAV
Bloomberg	NAV AU
Reuters	NAV.AX

4 April 2006

Sector: Materials

The following is an edited transcript of an interview conducted by Brendan Fitzpatrick, Resources Analyst at Aegis. For more on Navigator Resources Ltd (NAV), see our Exploration Review Blue Book at www.aer.com.au or go to NAV's website at www.navigatorresources.com.au

Brendan Fitzpatrick – Resources Analyst

Mr Sanders, recent drilling at Mertondale South in the WA goldfields has returned some encouraging intersections. What is your view of the potential at that location?

Navigator Resources Ltd (NAV) MD – Tom Sanders

The Mertondale and Mertondale South areas have the potential to kick-start the Leonora Project into production in 12 to 18 months time. We are getting wide high-grade and near surface intersections, just along strike from a shallow open pit, which has the same ounces per vertical metre as the Sons of Gwalia mine in Leonora, which, as a lot of people know, is a world-class deposit. The Sons of Gwalia mine is currently getting developed down to 1,600m, and we are just scratching the surface at the moment.

The Mertondale pit is only partly mined - it extends over 800m and all the indications are that the mineralisation extends another 1.5km to the south.

Our initial focus will be on the shallow mineralisation to enable a quick and low-cost production start-up, but the grade and width characteristics allow excellent scope to go underground in the longer term.

Brendan Fitzpatrick – Resources Analyst

The drilling to the south of the pit is going to be orientated differently to the previous drilling in that region. Could you explain the significance of this in relation to the past and current targets?

Navigator Resources Ltd (NAV) MD – Tom Sanders

It has become clear that the optimum drill orientation is steep and to the west, and the modern drill orientation, including ours, has gone that way. This drill orientation intersects not only the shear parallel structures but also the flat north dipping structures. The flat north dipping structures were the focus of historical mining at the turn of the century to the south of the Mertondale 3_4 deposit at Mertons Reward.

When Hunter Resources, which actually mined the Mertondale 3_4 deposit, first started exploring the area, it started in the Mertons Reward area. Hunter Resources didn't at that point know about the Mertondale 3_4 deposit or the Mertondale Shear zone and evidently looked at the historical workings, and started drilling south to intersect the flat dipping historical lodes.

After doing some wide-space reconnaissance drilling in the south, Hunter Resources went on to discover the Mertondale 3_4 mine to the north. It subsequently drilled that out, mined it to a shallow depth and recovered about 180,000oz at 4.3g/t, with a very low waste-to-ore ratio of 5.5:1.

Once they mined the Mertondale 3_4 deposit their corporate focus changed for reasons unrelated to operational performance, and it never got back to the south area. What we have are some fantastic recent drill hits immediately south of the Mertondale 3_4 pit. As you go further south, we have 1.5km of strike extensions with some very good historical intersections that are floating in space because of the wide drill spacing, on a drill orientation that is only partly effective. This obviously provides a fertile environment to increase our resources in a proven mining area with a low degree of risk.

Brendan Fitzpatrick – Resources Analyst

You have mentioned the good indications to date for the mineralisation and you've drawn some comparisons to other operations, could you suggest what mining methodologies and scale of production might be possible at this location?

Aegis Equities Research Pty Ltd ACN 085 293 910 AFSL no. 225072 Level 6, 33 York Street Sydney NSW 2000 Australia
Phone +61 2 8296 1100 Fax +61 2 9299 3777 Email mail@aer.com.au Web www.aer.com.au

Aegis Corporate Insights

Navigator Resources Ltd (NAV) MD – Tom Sanders

The width and grade characteristics of the mineralisation at low and high cut-off grades provide scope for bulk or selective mining approaches in a near surface open pit environment, or in an underground situation. We can potentially go bulk or selective high grade, and I don't think many companies, let alone many juniors, can say that. This affects not only the mining options but also the processing options.

The long-term depth potential at Mertondale is perhaps best summarised by the gold endowment in the Mertondale 3_4 pit, which was 3,500oz per vertical metre. This aspect in conjunction with the recent high-grade drill results provides good reason for optimism.

In terms of scale, what I can see as a realistic target is something like 100,000oz per year production based on something like 1Mt per annum of ore processed.

Brendan Fitzpatrick – Resources Analyst

Navigator's current resource is around 440,000oz. What increase to the resource do you anticipate is needed to provide the 300,000oz of reserves targeted to enable the commencement of operations?

Navigator Resources Ltd (NAV) MD – Tom Sanders

We are not just about expanding resources but are deliberately targeting mineable resources and expect a very high conversion rate on any resources outlined above the present resource that we have.

Brendan Fitzpatrick – Resources Analyst

How likely do you anticipate being able to reach a production size resource in the near future?

Navigator Resources Ltd (NAV) MD – Tom Sanders

We think the probabilities are stacked firmly on our side to get a mining operation going based on the drill results already received, the richness of the deposits in the Mertondale area and the presence of high grades that are only partly tested. As I mentioned earlier, the intersections are floating in space over a strike length of 1.5km, and because of that we will be focusing on a very aggressive delineation drill program in the Mertondale and Mertondale South areas from hereon to meet our objective. We are planning about 50,000m over the next nine months. So there are going to be a lot of results and a lot of interim resource updates.

Brendan Fitzpatrick – Resources Analyst

Given the optimistic outlook for the potential in this area, what funding operations would you likely consider when it comes time to bring a mine into production?

Navigator Resources Ltd (NAV) MD – Tom Sanders

The strategy we are adopting, an aggressive drilling strategy with the main priority at Mertondale, has two likely results. One is that we are going to increase the resource and also convert a significant portion of the resource to reserves relatively cheaply. Secondly, I think it is reasonable to expect that this will have a significant impact on the market cap. This will enable several funding options, including the normal debt and equity funding, and/or the potential exercise of approximately 20 million options that have been issued.

Brendan Fitzpatrick – Resources Analyst

Drilling at Cardinia has also provided some good results. What ratio of resources and priorities will be assigned to the two areas?

Navigator Resources Ltd (NAV) MD – Tom Sanders

We have a nice problem in that we have identified two 2km gold systems in an early stage of delineation, and we are getting discoveries. Several other areas have outstanding potential, including Mertondale North, the 15km zone between Cardinia and Mertondale and Cardinia South - these areas have hardly been scratched.

Mertondale has the edge over Cardinia in terms of ounces per vertical metre and potential size, so we will give priority to RC (reverse circulation) drilling in that area to generate the reserves necessary for a development decision. I think the overriding priority is 300,000 reserve ounces to trigger

Aegis Corporate Insights

a development decision and the exploration focus is driven by that. The ounces we have already outlined at Cardinia are shallow and high grade and probably will figure in an early development decision.

We are having good success in other areas aside from Mertondale, including Cardinia and Pelsart. We plan to continue to scope that potential using low-cost techniques such as air core drilling, soil geochem and geological mapping, but it won't be done at the expense of the Mertondale RC drilling.

Brendan Fitzpatrick – Resources Analyst

Some additional tenements were recently purchased near Cardinia and Mertondale. How has the benefit of expenditure on extra tenements versus further exploration work been assessed?

Navigator Resources Ltd (NAV) MD – Tom Sanders

All we are doing there, and I think you are probably alluding to Cardinia South, is consolidating our foothold in the area with our standing gold endowment. The exploration priority remains the delineation of mineable resources as quickly as we can to generate a cash flow and take advantage of the excellent gold price.

Brendan Fitzpatrick – Resources Analyst

Navigator also has three free-carried interests in East Kimberley Projects. How significant are these to the future of the company?

Navigator Resources Ltd (NAV) MD – Tom Sanders

The East Kimberley Projects give us free-carried nickel, platinum and gold exposure over a significant regional position in a growing area of the world. These projects, which are subject to joint venture arrangements with Sally Malay Exploration Ltd and upcoming IPO Magma Metals Ltd, will see incoming expenditure of up to $4.5M over the next three years, while we retain a 30% free-carried interest to a decision to mine.

We are all about managing our risk and we have a track record of converting our exploration dollars into cheap ounces. By the same token, we have a top quality board and management team and the aim is simply to do the things we are best at while managing our risk, and that includes generating new projects and ongoing discoveries.

Brendan Fitzpatrick – Resources Analyst

The cash position of the company was $1.8M at 31 December 2005. How far can the company go on the current assets?

Navigator Resources Ltd (NAV) MD – Tom Sanders

It is a comfortable working capital position; however, given our aggressive exploration plans, we are reworking our cash flows. There is a lot of interest coming in from brokers and new investor groups and given the rising gold price and our rising share price, it is an opportune time to raise additional cash.

END OF INTERVIEW

Aegis Equities Research Pty Ltd ACN 085 293 910 AFSL no. 225072 Level 6, 33 York Street Sydney NSW 2000 Australia
Phone +61 2 8296 1100 Fax +61 2 9299 3777 Email mail@aer.com.au Web www.aer.com.au