NAVIGATOR RESOURCES LIMITED

ABN 82 063 366 487

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

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SIGNIFICANT EXTENSIONS CONFIRMED AT MERTON'S REWARD

Drill results at Merton's Reward have confirmed 500m of open-ended extensions to gold mineralization initially reported in September. Reverse circulation (RC) drilling is currently in progress to extend the zone of mineralization southwards. Additional drilling is also planned to the north to ascertain whether the new mineralization links up with a separate 300m zone of mineralization discovered in February 2006 immediately south of the Mertondale 3_4 open pit (previous production 1.3Mt @ 4.3 g/t gold). Neither zone is included in the current resource estimates which are currently being reviewed.

The Merton's Reward area forms part of the 1.8km long Mertondale South target zone (Figure 1) that is under evaluation via a 50,000m program of RC drilling that commenced in May 2006. The main objective is to increase shallow gold resources located within 120m of surface.

A full listing of October drill results (NMRC 123-139; 2,213m) and final results from the September 2006 drilling (NMRC 104-122) is provided in Table 1. More significant drill results include: -

- **3m at 20.8 g/t gold** **NMRC 116** **21m - 24m**
- **18m at 4.8 g/t gold** **NMRC 116** **134m - 152m**
- **9m at 3.7 g/t gold** **NMRC 119** **84m - 93m**
- **8m at 4.7 g/t gold** **NMRC 124** **91m - 99m**
- **3m at 11.4 g/t gold** **NMRC 125** **96m - 99m**
- **3m at 38.3 g/t gold** **NMRC 133** **34m - 37m**

The Merton's Reward and previously announced Mertondale South drill results (including significant intersections such as 26m at 4.8 g/t gold and 20m at 5.3 g/t gold) indicate a large mineralised system that is open along strike and at depth in all areas.

A distinctive aspect of the mineralization style at Merton's Reward is the occurrence of multiple stacked shallow dipping (silica-carbonate-pyrite-arsenopyrite) lodes that commonly result in multiple intersections from individual drill holes. The geometry of the steeper shear-parallel mineralized structures that form part of the ~100m wide Mertondale Shear (Figure 2) will be clarified as drilling progresses. Mineralisation extends to the surface at several locations.

The available drill results indicate good continuity of mineralization at low and high cut-off grades. Historical underground production at Merton's Reward (c.1900; 90,000t at 20.8 g/t

Unit 1,
34 Kings Park Road,
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

gold) perhaps provides the clearest indication of continuity at higher cut-off grades.

RC drilling is continuing southwards on 50m spaced sections through the historical Merton's Reward underground workings to scope the extent and tenor of mineralization, prior to infill RC and diamond drilling on 25m spaced section lines. The latter infill drilling will clarify the structural relationships and will also selectively test for deeper mineralization.

Project Objectives Remain On Track

Navigator's priority at Leonora is cash flow via an *efficient*, long life 100,000 ounce/yr open pit mining operation. The best way to achieve this is to increase the resource inventory to 1 million ounces focusing initially on near surface mineralization amenable to open pit mining. Underground mining at several deposits is anticipated in the longer term.

The main drill focus remains the Mertondale South area, where Navigator's 50,000m RC program is approximately one third complete. Navigator is accelerating drill activities in several additional areas to fast track its production plans after expanding its technical team. RC drilling will commence shortly at Tonto, located 6km north of Mertondale, where scope exists to increase the strike length of the resource. A 30,000m program of aircore drilling will commence shortly in the wider Cardinia area targeting extensions to shallow resources at several deposits including Bruno-Lewis, Rangoon and Kyte. Imminent tenement grant will shortly facilitate follow-up drilling extending north of the Pelsart discovery (3m @ 17g/t Au).

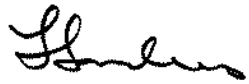
Resource Update to be completed in November

An interim review of the current resource of 444,000 ounces (ASX release 11 October 2005) is well advanced and is planned for release in mid November (originally scheduled by end October). The resource update is being conducted using a nominal lower cut-off grade of 0.5 g/t gold to maximize the continuity and mining recovery in an open pit mining scenario. Further resource estimates are planned at higher cut-off grades to assess the underground mining potential at several deposits and to facilitate drill planning.

Open pit optimisation and sensitivity analysis, in conjunction with further metallurgical testwork will follow finalisation of resource estimates. Previous metallurgical testwork has been encouraging, and is supported by gold recoveries from previous mining operations in the project area.

Change of Address

Navigator has moved to a larger office located at Unit 1, 34 Kings Park Road, West Perth. The Company's postal address, phone, fax and email links remain unchanged.



Managing Director

The information in this report that relates to Exploration Results or 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.

Table 1 Mertondale South RC Drill Intersection Summary

Hole_ID	Easting (m)	Northing (m)	1.0 g/t Cutoff			0.5 g/t Cutoff		
			From (m)	To (m)	Intercept (g/t Au)	From (m)	To (m)	Intercept (g/t Au)
NB Assay results from NMRC 134 - 136 are preliminary								
NMRC106	357742	6827485	22	23	1m at 2.7 g/t			
NMRC106			61	62	1m at 1.4 g/t			
NMRC106			75	76	**1m at 25.5 g/t**	75	76	**1m at 25.5 g/t**
NMRC107	357766	6827485	59	60	1m at 1.6 g/t			
NMRC107			69	70	1m at 2.0 g/t			
NMRC107			82	83	1m at 1.0 g/t			
NMRC107			89	90	1m at 1.3 g/t			
NMRC107			93	95	**2m at 4.7 g/t**	93	95	**2m at 4.7 g/t**
NMRC107			100	101	1m at 1.8 g/t			
NMRC107			108	111	3m at 1.7 g/t			
NMRC108	357792	6827485	41	42	1m at 1.4 g/t			
NMRC108	357689	6827465	86	87	1m at 2.6 g/t			
NMRC108			93	94	1m at 1.3 g/t			
NMRC108			99	102	3m at 1.7 g/t			
NMRC108			105	107	2m at 1.3 g/t			
NMRC110	357718	6827460	28	29	1m at 2.5 g/t			
NMRC110			53	56	3m at 2.3 g/t	53	64	**11m at 1.1 g/t**
NMRC110			63	64	1m at 2.3 g/t			
NMRC111	357742	6827460	46	50	4m at 1.9 g/t			
NMRC111			52	53	1m at 2.1 g/t			
NMRC111			58	59	**1m at 4.3 g/t**			
NMRC111			74	76	2m at 2.2 g/t			
NMRC111			108	110	**2m at 6.5 g/t**	106	111	**5m at 3.0 g/t**
NMRC112	357766	6827460	8	12	4m at 1.0 g/t			
NMRC112			19	20	1m at 1.1 g/t			
NMRC112			36	37	1m at 2.7 g/t			
NMRC112			52	53	**1m at 5.5 g/t**			
NMRC112			54	55	1m at 1.0 g/t			
NMRC112			61	62	1m at 1.5 g/t			
NMRC112			84	91	7m at 1.9 g/t	84	97	**13m at 1.3 g/t**
NMRC112			95	96	1m at 1.2 g/t			
NMRC112			122	129	**7m at 7.2 g/t**	122	129	**7m at 7.2 g/t**
NMRC112			136	137	1m at 1.5 g/t			
NMRC113	357791	6827460	47	49	2m at 2.4 g/t			
NMRC113			58	59	1m at 1.4 g/t			
NMRC113			61	62	1m at 1.6 g/t			
NMRC113			89	90	**1m at 12.3 g/t**	89	90	**1m at 12.3 g/t**
NMRC113			95	96	1m at 1.4 g/t			
NMRC113			104	105	1m at 1.3 g/t			
NMRC113			134	135	**1m at 4.1 g/t**			
NMRC113			138	139	1m at 1.5 g/t			
NMRC114	357704	6827353	2	4	2m at 1.4 g/t			
NMRC114			52	54	2m at 1.6 g/t			
NMRC114			84	85	1m at 3.8 g/t			
NMRC114			94	100	6m at 1.2 g/t	94	100	6m at 1.2 g/t
NMRC114			112	113	1m at 1.6 g/t			
NMRC114			124	127	3m at 1.1 g/t			
NMRC115	357731	6827353	11	12	1m at 1.6 g/t			
NMRC115			94	96	2m at 1.4 g/t			
NMRC115			107	108	1m at 2.0 g/t			
NMRC115			114	115	1m at 1.4 g/t	114	138	**24m at 1.5 g/t**
NMRC115			116	117	**1m at 5.2 g/t**			
NMRC115			123	124	1m at 1.5 g/t			
NMRC115			126	136	**10m at 2.2 g/t**			
NMRC115			137	138	1m at 1.3 g/t			

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Hole_ID	Easting (m)	Northing (m)	1.0 g/t Cutoff			0.5 g/t Cutoff		
			From (m)	To (m)	Intercept (g/t Au)	From (m)	To (m)	Intercept (g/t Au)
NMRC115			137	138	1m at 1.3 g/t			
NMRC116	357756	6827353	8	9	1m at 1.6 g/t			
NMRC116			14	15	**1m at 5.1 g/t**			
NMRC116			21	24	**3m at 20.8 g/t**	21	27	**6m at 10.6 g/t**
NMRC116			50	51	1m at 1.2 g/t			
NMRC116			121	122	1m at 3.8 g/t			
NMRC116			134	152	**18m at 4.8 g/t**	134	154	**20m at 4.4 g/t**
NMRC117	357660	6827280	24	26	**2m at 6.3 g/t**	24	26	**2m at 6.3 g/t**
NMRC117			33	34	1m at 1.3 g/t	33	46	**13m at 1.1 g/t**
NMRC117			36	37	1m at 1.5 g/t			
NMRC117			40	41	**1m at 6.9 g/t**			
NMRC117			42	44	2m at 1.1 g/t			
NMRC117			52	53	1m at 1.2 g/t			
NMRC117			63	67	4m at 2.5 g/t			
NMRC117			117	118	1m at 2.5 g/t			
NMRC118	357685	6827280	52	55	3m at 1.5 g/t	51	79	**28m at 1.3 g/t**
NMRC118			60	76	**16m at 1.7 g/t**			
NMRC118			78	79	1m at 1.4 g/t			
NMRC118			121	123	**2m at 5.6 g/t**	121	127	**6m at 2.4 g/t**
NMRC118			126	127	1m at 1.2 g/t			
NMRC119	357710	6827280	72	73	1m at 3.5 g/t			
NMRC119			84	93	**9m at 3.7 g/t**	84	121	**37m at 1.5 g/t**
NMRC119			103	108	5m at 1.4 g/t			
NMRC119			109	110	1m at 1.1 g/t			
NMRC119			114	115	1m at 1.0 g/t			
NMRC119			118	121	3m at 2.1 g/t			
NMRC120	357654	6827228	15	16	1m at 2.7 g/t			
NMRC120			17	18	1m at 1.0 g/t			
NMRC120			39	41	2m at 1.5 g/t			
NMRC120			49	51	2m at 2.4 g/t			
NMRC120			78	79	1m at 1.4 g/t			
NMRC120			87	88	1m at 1.7 g/t			
NMRC120			99	100	1m at 1.1 g/t			
NMRC120			102	103	1m at 2.1 g/t			
NMRC120			107	108	1m at 1.2 g/t			
NMRC121	357679	6827230	32	36	**4m at 7.1 g/t**	32	62	**30m at 2.0 g/t**
NMRC121			38	41	3m at 1.4 g/t			
NMRC121			43	44	1m at 1.5 g/t			
NMRC121			48	54	6m at 1.3 g/t			
NMRC121			61	62	**1m at 14.4 g/t**			
NMRC121			78	82	**4m at 5.1 g/t**	76	82	**6m at 3.7 g/t**
NMRC121			94	95	1m at 1.2 g/t			
NMRC121			98	99	1m at 1.5 g/t			
NMRC121			108	109	**1m at 16.9 g/t**	108	112	**4m at 4.7 g/t**
NMRC121			111	112	1m at 1.0 g/t			
NMRC122	357703	6827230	12	13	1m at 1.1 g/t			
NMRC122			46	49	**3m at 3.2 g/t**			
NMRC122			73	74	1m at 1.3 g/t			
NMRC122			103	104	1m at 1.0 g/t			
NMRC122			105	108	3m at 1.2 g/t			
NMRC123	357780	6827349	0	1	1m at 1.2 g/t			
NMRC123			146	147	1m at 1.6 g/t			
NMRC124	357711	6827305	56	57	1m at 1.2 g/t			
NMRC124			86	89	3m at 1.4 g/t	86	105	**19m at 2.5 g/t**

Table 1 Mertondale South RC Drill Intersection Summary

Hole_ID	Easting (m)	Northing (m)	1.0 g/t Cutoff			0.5 g/t Cutoff		
			From (m)	To (m)	Intercept (g/t Au)	From (m)	To (m)	Intercept (g/t Au)
NMRC124			91	99	**8m at 4.7 g/t**			
NMRC124			102	103	1m at 2.4 g/t			
NMRC124			104	105	1m at 1.5 g/t			
NMRC124			115	118	3m at 1.3 g/t			
NMRC124			130	134	**4m at 2.5 g/t**	130	166	**36m at 1.0 g/t**
NMRC124			136	137	1m at 1.4 g/t			
NMRC124			143	147	4m at 2.3 g/t			
NMRC124			154	155	1m at 1.6 g/t			
NMRC124			156	157	1m at 1.1 g/t			
NMRC124			165	166	1m at 2.0 g/t			
NMRC125	357744	6827305	96	99	**3m at 11.4 g/t**	96	99	**3m at 11.4 g/t**
NMRC125			117	118	1m at 2.1 g/t			
NMRC126	357635	6827280	5	6	1m at 2.0 g/t	5	18	**13m at 1.0 g/t**
NMRC126			7	8	1m at 1.1 g/t			
NMRC126			10	12	2m at 2.3 g/t			
NMRC126			16	17	1m at 2.6 g/t			
NMRC126			32	33	1m at 2.1 g/t			
NMRC127	357736	6827280	86	87	1m at 3.1 g/t			
NMRC127			104	105	1m at 1.1 g/t			
NMRC127			122	123	1m at 1.8 g/t			
NMRC127			126	127	1m at 1.1 g/t			
NMRC127			144	145	1m at 1.2 g/t			
NMRC128	357641	6827230	31	35	**4m at 6.2 g/t**	31	38	**7m at 3.8 g/t**
NMRC129	357665	6827230	97	98	1m at 1.0 g/t			
			101	111	10m at 1.0 g/t	101	111	10m at 1.0 g/t
NMRC130	357605	6827179	26	29	3m at 3.6 g/t	21	29	9m at 1.6 g/t
NMRC130			36	39	3m at 1.1 g/t			
NMRC131	357625	6827180	8	11	3m at 1.6 g/t			
NMRC132	357647	6827180	23	25	2m at 1.7 g/t			
NMRC132			48	49	1m at 1.0 g/t			
NMRC132			110	113	**3m at 6.0 g/t**	110	113	3m at 6.0 g/t
NMRC133	357684	6827179	34	37	**3m at 38.3 g/t**	34	38	**4m at 28.9 g/t**
NMRC133			62	65	3m at 2.5 g/t			
NMRC133			70	76	6m at 1.4 g/t	70	76	6m at 1.4 g/t
NMRC133			84	86	2m at 1.0 g/t			
NMRC133			117	121	4m at 2.1 g/t			
NMRC134	357721	6827177	40	44	**4m at 3.8 g/t**			
			107	112	**5m at 2.6 g/t**			
NMRC135	357710	6827130	28	36	8m at 1.3 g/t			
NMRC136	357688	6827080	100	104	4m at 1.8 g/t			
NMRC137	357717	6827080	16	20	**4m at 3.8 g/t**	16	32	**16m at 1.7 g/t**
			24	28	8m at 1.4 g/t			
NMRC138	357710	6827030	12	16	5m at 1.8 g/t			
NMRC139	357634	6827129	25	26	3m at 1.6 g/t			

NB: Analyses by Fire Assay 40g; Grades uncut; All drill holes drilled -60° west except NMRC138 (-80°)
Intercepts represent down hole lengths; coordinates in GDA94 Zone 51

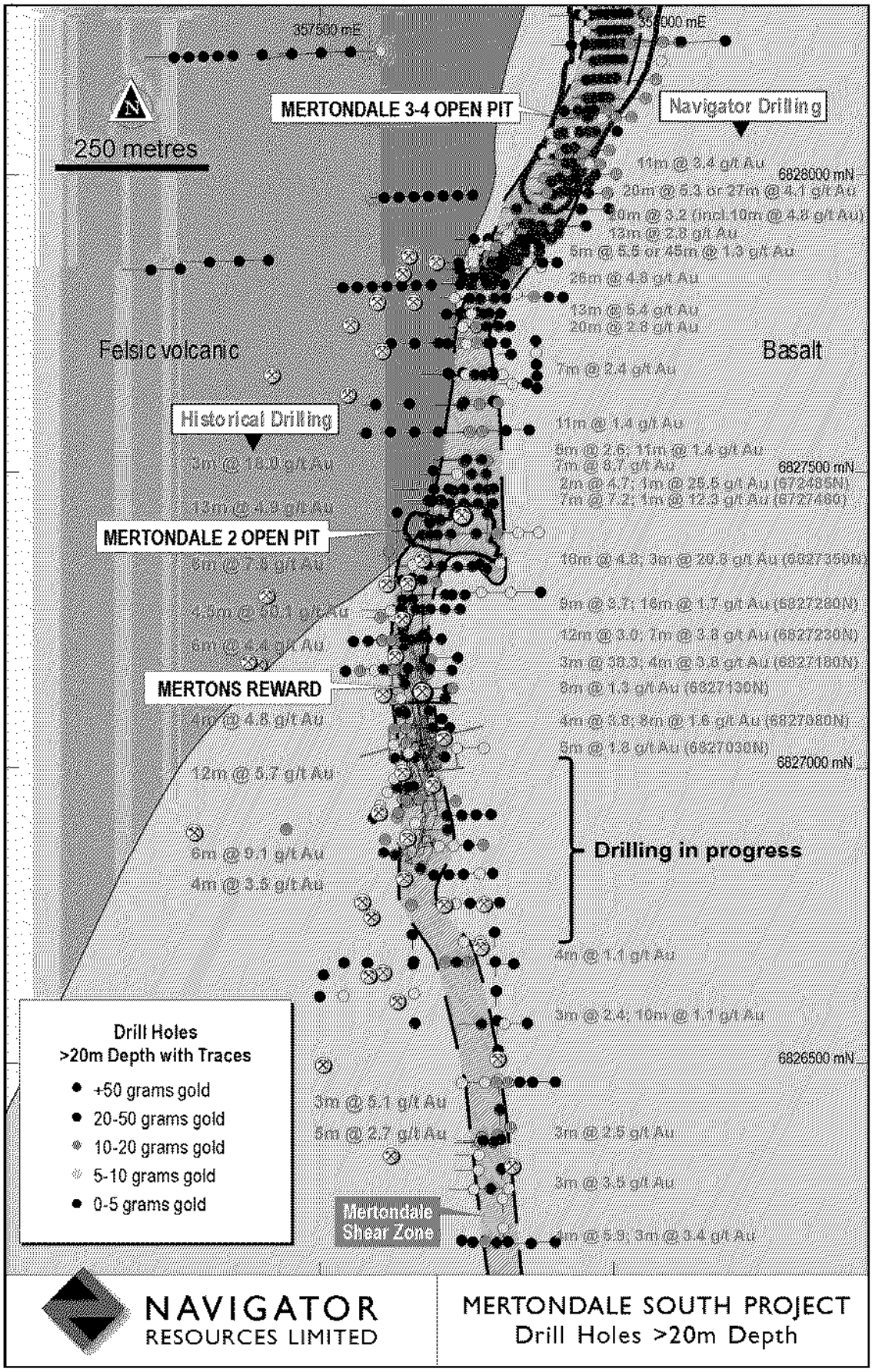

357500 mE
356000 mE
MERTONDALE 3-4 OPEN PIT
Navigator Drilling
250 metres
11m @ 3.4 g/t Au
6828000 mN
20m @ 5.3 or 27m @ 4.1 g/t Au
10m @ 3.2 (incl 10m @ 4.8 g/t Au)
13m @ 2.3 g/t Au
5m @ 5.5 or 45m @ 1.3 g/t Au
20m @ 4.8 g/t Au
13m @ 5.4 g/t Au
20m @ 2.8 g/t Au
Felsic volcanic
Basalt
7m @ 2.4 g/t Au
Historical Drilling
11m @ 1.4 g/t Au
5m @ 2.6; 11m @ 1.4 g/t Au
7m @ 8.7 g/t Au
6827500 mN
2m @ 4.7; 1m @ 25.5 g/t Au (6724854N)
7m @ 7.2; 1m @ 12.3 g/t Au (6727490)
MERTONDALE 2 OPEN PIT
10m @ 4.8; 3m @ 20.8 g/t Au (6827150N)
9m @ 3.7; 16m @ 1.7 g/t Au (6827260N)
12m @ 3.0; 7m @ 3.8 g/t Au (6827230N)
3m @ 38.3; 4m @ 3.8 g/t Au (6827190N)
9m @ 1.3 g/t Au (6827130N)
MERTONS REWARD
4m @ 3.8; 8m @ 1.6 g/t Au (6827080N)
5m @ 1.8 g/t Au (6827030N)
6827000 mN
Drilling in progress
4m @ 1.1 g/t Au
3m @ 2.4; 10m @ 1.1 g/t Au
6826500 mN
3m @ 5.1 g/t Au
5m @ 2.7 g/t Au
3m @ 2.5 g/t Au
3m @ 3.5 g/t Au
Mertondale Shear Zone
m @ 5.3; 3m @ 3.4 g/t Au
Drill Holes
>20m Depth with Traces
+50 grams gold
20-50 grams gold
10-20 grams gold
5-10 grams gold
0-5 grams gold
NAVIGATOR
RESOURCES LIMITED
MERTONDALE SOUTH PROJECT
Drill Holes >20m Depth

FIGURE 1

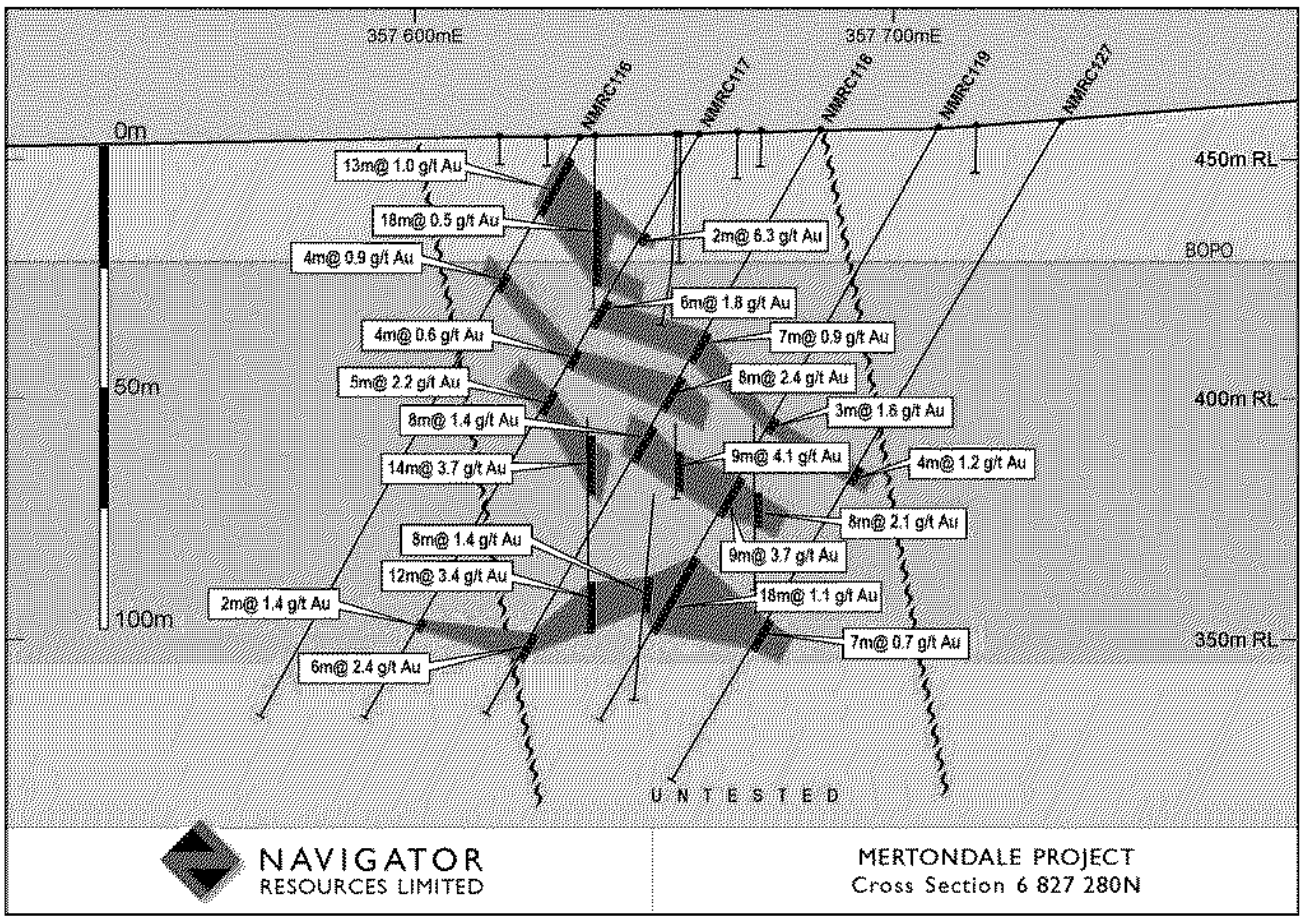
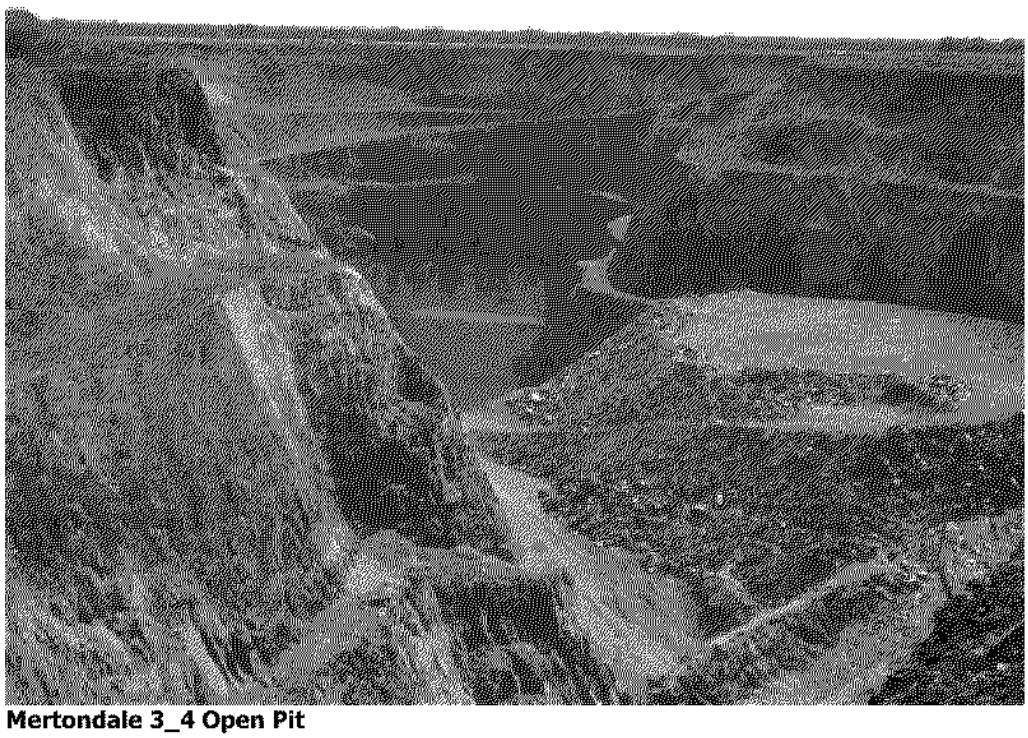


Figure 2



Mertondale 3_4 Open Pit