

**NAVIGATOR
RESOURCES LIMITED**

20 October 2010

Farlee Walker
Adviser, Issuers (Perth)
ASX Limited
Level 8, Exchange Plaza
2 The Esplanade
PERTH WA 6000

Via email: farlee.walker@asx.com.au

Dear Farlee

NAVIGATOR RESOURCES LIMITED ("COMPANY") – PRICE & VOLUME QUERY

I refer to your letter of 20 October 2010, and the Company responds as follows:-

- 1. Is the Company aware of any information concerning it that has not been announced which, if known, could be an explanation for recent trading in the securities of the Company?**

No.

- 2. If the answer to question 1 is yes, can an announcement be made immediately? If not, why not and when is it expected that an announcement will be made?**

N/A

- 3. Is there any other explanation that the Company may have for the price change and increase in volume in the securities of the Company?**

- As previously notified to the market (on 8 October 2010), the Company is undertaking drilling activities at two of its prospects in the Bronzewing Gold Project area. However, to date, no assay results have been received from these drilling campaigns. In the event that any significant results are received, they will be released to the market.
- The Company also notes that in recent times, the share prices of companies with rare earth assets have seen significant positive movements. The Company owns 100% of the Cummins Range Rare Earth Project in the Kimberley region of Western Australia.

The Company advised the market (on 2 September 2010) that it is having the Cummins Range valuation report, which was originally completed approximately





12 months ago, revised and updated to incorporate the latest metal prices. This report should be available within a week.

The Company also advised the market (most recently on 2 September 2010) that it had commissioned PCF Capital Group (PCF) "to conduct a staged process to determine whether there is demand for an asset level transaction for the Cummins Range project." The first stage of that process has recently been completed and the Company has discussed with PCF the next steps in the evaluation process to unlock potential value for shareholders.

- Recent mergers and acquisitions in the Australian gold sector have decreased the number of gold producing companies on the ASX and may have led to speculation on future possible targets.
- The Company has recently commenced a series of infomercials on business media networks in the Asia-Pacific region as part of a strategy to raise awareness of the Company and its assets. A copy of the infomercial is available for viewing on the Company's website. The infomercial contains only information previously released by the Company.

4. Please confirm that the Company is in compliance with the listing rules and, in particular, listing rule 3.1.

The Company confirms that it is in compliance with the listing rules and, in particular, listing rule 3.1

Yours sincerely

A handwritten signature in black ink, appearing to read "G. Kaczmarek".

G F KACZMAREK
Company Secretary



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20 October 2010

Gerry Kaczmarek
 Navigator Resources Ltd
 Unit 1, 34 Kings Park Rd
 WEST PERTH WA 6005

Email: gkaczmarek@navigatorresources.com.au

Dear Gerry,

Navigator Resources Limited (the "Company") - PRICE AND VOLUME QUERY

We have noted a change in the price of the Company's securities from a close of 19 cents on 19 October 2010 to an intra day high of 23 cents today. ASX also notes the higher volumes of securities traded today.

In light of the price and volume change, please respond to each of the following questions.

1. Is the Company aware of any information concerning it that has not been announced which, if known, could be an explanation for recent trading in the securities of the Company?
2. If the answer to question 1 is yes, can an announcement be made immediately? If not, why not and when is it expected that an announcement will be made?

Please note, if the answer to question 1 is yes and an announcement cannot be made immediately, you need to contact us to discuss this and you need to consider a trading halt (see below).

3. Is there any other explanation that the Company may have for the price change and increase in volume in the securities of the Company?
4. Please confirm that the Company is in compliance with the listing rules and, in particular, listing rule 3.1.

Your response should be sent to me on facsimile number (08) 9221 2020. It should not be sent to the Company Announcements Office.

Unless the information is required immediately under listing rule 3.1, a response is requested as soon as possible and, in any event, not later than 1.30 PM (WST) today.

The response must be in a form suitable for release to the market. If you have any concern about release of a response, please contact me immediately.

Listing rule 3.1

Australian Securities Exchange

Australian Stock Exchange
 Sydney Futures Exchange

Australian Clearing House
 SFE Clearing Corporation

ASX Settlement and Transfer Corporation
 Austraclear

Listing rule 3.1 requires an entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. The exceptions to this requirement are set out in the rule.

In responding to this letter you should consult listing rule 3.1 and the guidance note titled "Continuous disclosure: listing rule 3.1".

If the information requested by this letter is information required to be given to ASX under listing rule 3.1 your obligation is to disclose the information immediately.

Your responsibility under listing rule 3.1 is not confined to, or necessarily satisfied by, answering the questions set out in this letter.

Trading halt

If you are unable to respond by the time requested, or if the answer to question 1 is yes and an announcement cannot be made immediately, you should consider a request for a trading halt in the company's securities. As set out in listing rule 17.1 and the guidance note titled "Trading halts" we may grant a trading halt at your request. We may require the request to be in writing. We are not required to act on your request. You must tell us each of the following.

- The reasons for the trading halt.
- How long you want the trading halt to last.
- The event you expect to happen that will end the trading halt.
- That you are not aware of any reason why the trading halt should not be granted.
- Any other information necessary to inform the market about the trading halt, or that we ask for.

The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. If a trading halt is requested and granted and you are still unable to reply to this letter before the commencement of trading, suspension from quotation would normally be imposed by us from the commencement of trading if not previously requested by you. The same applies if you have requested a trading halt because you are unable to release information to the market, and are still unable to do so before the commencement of trading.

If you have any queries regarding any of the above, please let me know.

Yours sincerely



Farlee Walker
Adviser, Issuers (Perth)