



**NAVIGATOR**  
RESOURCES LIMITED

ABN 82 063 366 487

**FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2016**

## TABLE OF CONTENTS

	Page
Corporate Directory	3
Corporate Governance Statement	4
Directors' Report	13
Auditor's Independence Declaration	21
Independent Auditor's Report	22
Directors' Declaration	24
Statement of Profit or Loss and Other Comprehensive Income	25
Statement of Financial Position	26
Statement of Changes in Equity	27
Statement of Cash Flows	28
Notes to the Financial Statements	29

## NAVIGATOR RESOURCES LIMITED

### Corporate Directory

#### Board of Directors

Mr Greg Ruddock	Non-Executive Chairman
Mr Glen Dobbie	Managing Director
Mr Josh McKean	Non-Executive Director
Mr Malcolm Keefe	Non-Executive Director

#### Company Secretary

Mr. Alistair McKeough  
c/o Whittens & McKeough  
Level 29, 201 Elizabeth Street  
Sydney NSW 2000

#### Principal Place of Business & Registered Office

c/o Whittens & McKeough  
Level 29, 201 Elizabeth Street  
Sydney NSW 2000

Tel: +61 2 8072 1400

Fax: +61 2 8072 1440

#### Auditors

PKF Hacketts Audit  
Level 6, 10 Eagle Street  
Brisbane QLD 4000

Tel: +61 7 3839 9733

Fax: 61 7 3832 1407

#### Share Registry

Automic Registry Services  
Level 1, 7 Ventnor Ave  
West Perth WA 6005

Tel: +61 8 9324 2099

Fax: +61 8 9321 2337

#### Securities Exchange Listing

Company's ordinary shares are listed on the Australian Securities Exchange Limited (ASX). The Company's ASX code for fully paid ordinary shares is "NAV".

**NAVIGATOR RESOURCES LIMITED  
CORPORATE GOVERNANCE STATEMENT**

Navigator Resources Limited ("Company") is committed to operating effectively and in the best interests of shareholders. The Group had in place appropriate corporate governance policies and practices for the financial year ended 30 June 2016 and has adopted a Corporate Governance Statements which reports against the ASX Corporate Governance Council's Principles and Recommendations. This corporate governance statement is current as at 30 June 2016 and has been approved by the board of the Company (**Board**).

<b>ASX Principles and Recommendations</b>	<b>Comply (Yes/No)</b>	<b>Explanation</b>
<b>1. Lay solid foundations for management and oversight</b>		
1.1 A listed entity should disclose: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	Yes	<p>The Board is responsible for the corporate governance of the Company. The Board develops strategies for the Company, reviews strategic objectives and monitors performance against those objectives. The goals of the corporate governance processes are to:</p> <ul style="list-style-type: none"> <li>(a) maintain and increase Shareholder value;</li> <li>(b) ensure a prudential and ethical basis for the Company's conduct and activities; and</li> <li>(c) ensure compliance with the Company's legal and regulatory objectives.</li> </ul> <p>Consistent with these goals, the Board assumes the following responsibilities:</p> <ul style="list-style-type: none"> <li>(a) developing initiatives for profit and asset growth;</li> <li>(b) reviewing the corporate, commercial and financial performance of the Company on a regular basis;</li> <li>(c) acting on behalf of, and being accountable to, the Shareholders; and</li> <li>(d) identifying business risks and implementing actions to manage those risks and corporate systems to assure quality.</li> </ul> <p>The Company is committed to the circulation of relevant materials to Directors in a timely manner to facilitate Directors' participation in Board discussions on a fully-informed basis.</p> <p>It is expected that the division of responsibility of the Board and senior executives will vary with the evolution of the Company. The Company intends to regularly review the balance of responsibilities to ensure that the division of functions remains appropriate to the needs of the Company.</p>
1.2 A listed entity should: (a) undertake appropriate checks before appointing a person or	Yes	The Company undertakes backgrounds checks with regards to the person's character, experience and education prior

**NAVIGATOR RESOURCES LIMITED  
CORPORATE GOVERNANCE STATEMENT**

<b>ASX Principles and Recommendations</b>	<b>Comply (Yes/No)</b>	<b>Explanation</b>
<p>putting forward to security holders a candidate for election as a director; and</p> <p>(b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.</p>		<p>to nomination for election as a director. Any material adverse information revealed by these checks is released to security holders prior to the General Meeting at which they are able to be elected.</p> <p>When an individual is nominated to be a director, their curriculum vitae with their relevant professional history and qualifications is circulated to the security holders in the Company.</p>
<p>1.3 A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.</p>	Yes	<p>Directors are provided with letters of appointment and/or service agreements, and senior executives are given employment contracts, prior to their engagement with the Company, setting out the terms of their appointment. These set out the relevant terms by which they will be involved in the Company.</p>
<p>1.4 The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.</p>	Yes	<p>The Company Secretary is directly accountable to the Board (through the Chairman) on all matters to do with the proper functioning of the Board.</p>
<p>1.5 A listed entity should:</p> <p>(a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;</p> <p>(b) disclose that policy or a summary of it; and</p> <p>(c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them and either:</p> <p>(1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or</p> <p>(2) if the entity is a "relevant employer" under the</p>	No	<p>The Company has not found it necessary to create a diversity policy or to annually report on measurable objectives with respect to achieving gender diversity. It will remain committed to ideals of gender diversity.</p> <p>As the Company develops, the Board intends to review its practices, and if deemed necessary in the future, the Board may consider adopting a policy.</p>

**NAVIGATOR RESOURCES LIMITED  
CORPORATE GOVERNANCE STATEMENT**

<b>ASX Principles and Recommendations</b>	<b>Comply (Yes/No)</b>	<b>Explanation</b>
Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.		
1.6 A listed entity should: (a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	No	<p>The Company, having regard to its current size and stage of development, does not believe it is necessary to have a formal process in place for evaluating the performance of the Board, its committees or individual Directors. A performance evaluation will be undertaken annually by the Board in the form of an informal discussion, where the Board will address the performance of each individual Director over the course of the financial year and, where relevant, areas for improvement.</p> <p>The Company did not undertake a performance appraisal during the reporting period, due to its current size and stage of development.</p> <p>As the Company develops, the Board intends to review its practices, and if deemed necessary in the future, the Board may consider putting in a process for evaluating the performance of the Board, its committees and individual Directors.</p>
1.7 A listed entity should: (a) have and disclose a process for periodically evaluating the performance of its senior executives; and (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	No	<p>The Board and senior management team will regularly review the performance of its senior executives and address any issues that may emerge. However, given the current size of the Company, the Board does not consider that disclosure of the process of evaluating the performance of senior executives is necessary.</p> <p>The Company did not undertake a performance appraisal during the reporting period, due to its current size and stage of development.</p> <p>As the Company develops, the Board intends to review its practices, and if deemed necessary in the future, the Board may consider disclosing the process for evaluating the performance of senior executives.</p>
<b>2 Structure the board to add value</b>		
2.1 The board of a listed entity should: (a) have a nomination committee which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent	No	<p>No formal nomination committee or procedures have been adopted for the identification, appointment and review of the Board membership, but an informal assessment process, facilitated by the Chairman in consultation with the Company's professional advisers (if</p>

**NAVIGATOR RESOURCES LIMITED  
CORPORATE GOVERNANCE STATEMENT**

<b>ASX Principles and Recommendations</b>	<b>Comply (Yes/No)</b>	<b>Explanation</b>
<p>director, and disclose:</p> <p>(3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meeting; or</p> <p>(b) if it does not have a nomination committee, disclose that fact and processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>	Yes	<p>required), has been committed to by the Board.</p>
<p>2.2 A listed entity should disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve its membership.</p>	No	<p>The Board strives to ensure that it is comprised of directors with a blend of skills, experience and attributes appropriate to the Company and its business. The principal criterion for the appointment of new Directors is their ability to add value to the Company and its business. In light of this, it has not been deemed necessary to create a formal document outlining the particular skills of the existing Board. However, the Board will consider whether it would be appropriate for the Company to adopt a board skills matrix as the Company continues to develop.</p>
<p>2.3 A listed entity should disclose:</p> <p>(a) the names of the directors considered by the board to be independent directors;</p> <p>(b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and</p> <p>(c) the length of service of each director.</p>	Yes	<p>The Board has reviewed the position and associations of each of the four directors and has determined that none of the directors were independent during the reporting period.</p> <p>The Company will continually evaluate whether it will be appropriate to consider additional independent directors as the business evolves and expands.</p> <p>The length of services (appointment dates) of each director will be disclosed in the Company's 2016 Annual Report.</p>

**NAVIGATOR RESOURCES LIMITED  
CORPORATE GOVERNANCE STATEMENT**

<b>ASX Principles and Recommendations</b>	<b>Comply (Yes/No)</b>	<b>Explanation</b>
2.4 A majority of the board of a listed entity should be independent directors.	No	<p>For the reporting period, a majority of the Board was not independent. This is due to the fact that the Company is only in the early stages of its recapitalisation and restructure. Each of the Directors is essential to the success of the Company at this stage of its restructure.</p> <p>In making this determination the Board has had regard to the independence criteria in ASX Corporate Governance Principles and Recommendations, and other facts, information and circumstances that the Board considers relevant. The Board will assess the independence of new Directors upon appointment and will review their independence, and the independence of the other Directors, as appropriate.</p> <p>As the Company develops, the Board intends to review the composition of the Board.</p>
2.5 The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	No	<p>The Company's current Non-Executive Chairman, Mr Gregory Ruddock, does not satisfy the ASX Corporate Governance Principles and Recommendations definition of an independent director. However, the Board considers Mr Ruddock's role as Non-Executive Chairman essential to the success of the Company at this stage of its development. Mr Ruddock will not exercise the role of CEO.</p>
2.6 A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as director effectively.	No	<p>The Company does not have a formal program for inducting new Directors, however the Company takes care in ensuring that Directors will be able to effectively manage and govern the Company before their nomination as potential Directors.</p>
<b>3 Act ethically and responsibly</b>		
3.1 A listed entity should: (a) have a code of conduct for its directors, senior executives and employees; and (b) disclose that code or a summary of it.	No	<p>Although the Board is committed to the establishment and maintenance of appropriate ethical standards, there is currently no official code of conduct in place.</p> <p>As the Company develops the Board intends to review its practices, and if deemed necessary, establish an appropriate code of conduct.</p>
<b>4 Safeguard integrity in corporate reporting</b>		
4.1 The board of a listed entity should: (a) have an audit committee which: (1) has at least three members,	No	<p>The Company does not have a separately constituted audit committee. As the Company develops the Board intends to</p>



**NAVIGATOR RESOURCES LIMITED  
CORPORATE GOVERNANCE STATEMENT**

<b>ASX Principles and Recommendations</b>	<b>Comply (Yes/No)</b>	<b>Explanation</b>
<p>all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director who is not the chair of the board,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the relevant qualifications and experience of the members of the committee; and</p> <p>(5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>		<p>review its practices, and if deemed necessary, establish an audit committee.</p> <p>The Company's shareholders at General Meetings are responsible for the appointment of the external auditors of the Company, and the Board from time to time will review the scope, performance and fees of those external auditors.</p>
<p>4.2 The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p>	Yes	<p>The Board receives a declaration from its CEO, equivalent before it approves the Company's financial statements.</p>
<p>4.3 A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.</p>	Yes	<p>An external auditor will be present at the AGM and be available to answer questions from security holders relevant to the audit.</p>
<b>5 Make timely and balanced disclosure</b>		
<p>5.1 A listed entity should:</p> <p>(a) have a written policy for</p>	No	<p>Although the Company is committed to providing relevant up-to-date information to</p>

**NAVIGATOR RESOURCES LIMITED  
CORPORATE GOVERNANCE STATEMENT**

<b>ASX Principles and Recommendations</b>	<b>Comply (Yes/No)</b>	<b>Explanation</b>
<p>complying with its continuous disclosure requirements under the Listing Rules; and</p> <p>(b) disclose that policy or a summary of it.</p>		<p>its shareholders and the broader investment community in accordance with the continuous disclosure requirements under the ASX Listing Rules and the Corporations Act 2001, there are no formal written policies in place.</p> <p>The Board has designated the Company Secretary as the person responsible for overseeing and coordinating disclosure of information to the ASX and shareholders as well as providing guidance to Directors and employees on disclosure requirements and procedures.</p>
<b>6 Respect the rights of security holders</b>		
6.1 A listed entity should provide information about itself and its governance to investors via its website.	Yes	The Company provides information about itself and its investors via its website <a href="http://www.navlimited.com.au">www.navlimited.com.au</a> which contains all relevant information about the Company. The Company will regularly update the website and contents therein as deemed necessary.
6.2 A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	No	<p>The Company has no formal investor relations program in place, but ensures that all material information is conveyed to its investors so as to facilitate communication.</p> <p>The Board and Company Secretary engage with investors at the Annual General Meeting and respond to shareholder enquiries on an ad hoc basis. Material communications are dispatched to investors either via email, surface mail, and/or via market announcement.</p>
6.3 A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	No	<p>Although the Company does not have a formal communications policy in place, all material matters will be disclosed to the market in accordance with the ASX Listing Rules.</p> <p>Material communications are dispatched to investors either via email, surface mail and/or via market announcement.</p>
6.4 A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	Yes	The Company engages its share registry to manage the majority of communications with Shareholders.
<b>7 Recognise and manage risk</b>		
7.1 The board of a listed entity should:		
<p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(1) has at least three members, a majority of whom are</p>	No	The Company does not have a separately constituted risk committee. As the Company develops the Board intends to review its practices, and if deemed necessary, establish a risk committee.

**NAVIGATOR RESOURCES LIMITED  
CORPORATE GOVERNANCE STATEMENT**

<b>ASX Principles and Recommendations</b>	<b>Comply (Yes/No)</b>	<b>Explanation</b>
<p>independent directors and;</p> <p>(2) is chaired by an independent director,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p>	Yes	<p>Presently, the Board is responsible for the oversight and management of all material business risks. The Board's collective experience will enable accurate identification of the principal risks that may affect the Company's business. Key operational risks and their management will be recurring items for deliberation as Board meetings.</p> <p>The risk profile can be expected to change and procedures adapted as the Company develops and it grows in size and complexity.</p> <p>The Board intends to continue to regularly review and approve the risk management and oversight policies of the Company.</p>
<p>7.2 The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	No	<p>Although the Company does not have a separately constituted risk committee, the Board intends to continue to regularly review and approve the risk management and oversight policies of the Company.</p> <p>The Company did not undertake a review of the risk management and oversight policies of the Company during the reporting period.</p>
<p>7.3 A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.</p>	No	<p>The Company does not have an internal audit function, and does not disclose the processes it uses to improve risk management. Nonetheless, it remains committed to effective management and control of these factors.</p>
<p>7.4 A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.</p>	Yes	<p>All material risks are announced to the market, in accordance with the requirements of the ASX listing rules and otherwise.</p>
<b>8 Remunerate fairly and responsibly</b>		
<p>8.1 The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p>	No	<p>No formal remuneration committee or procedures have been adopted by the Board.</p> <p>The remuneration of an executive director will be decided by the Board, without the affected executive Director participating in</p>

**NAVIGATOR RESOURCES LIMITED  
CORPORATE GOVERNANCE STATEMENT**

<b>ASX Principles and Recommendations</b>	<b>Comply (Yes/No)</b>	<b>Explanation</b>
<p>(2) is chaired by an independent director and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendance of the members at those meetings, or</p> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>	Yes	<p>that decision-making process. There are currently two executive Directors on the Board.</p> <p>In accordance the Company's Constitution, the total maximum remuneration of Non-Executive Directors is currently set at \$500,000. This may be varied by an ordinary resolution of the Shareholders in a General Meeting The determination of non-executive Directors' remuneration within that maximum amount will be made by the Board, having regard to the inputs and value to the Company of the respective contributions by each Non-Executive Director.</p> <p>Such information is available in several publicly available forums such as ASX announcements.</p> <p>As the Company develops, the Board intends to review its practices, and if deemed necessary in the future, the Board may consider putting in a process for evaluating the performance of the Board, its committees and individual Directors.</p>
<p>8.2 A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.</p>	Yes	<p>The Company discloses its remuneration policies in its annual report to shareholders.</p>
<p>8.3 A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>	No	<p>Although the Company did not have a formal policy during the reporting period, the Company had a securities trading policy that restricted the trading of the Company's securities by those who have interests in equity-based remuneration.</p>

**NAVIGATOR RESOURCES LIMITED  
DIRECTORS' REPORT**

The Directors of Navigator Resources Limited (the "Company") submit herewith the Financial Report of the Company for the financial year ended 30 June 2016. In order to comply with the provisions of the Corporations Act 2001, the Directors report as follows:

**Information About Directors**

The names of the Directors of the Company during or since the end of the financial year and up to the date of this report are:

Mr. Greg Ruddock (appointed on 12 February 2016)  
 Mr. Glen Dobbie (appointed on 12 February 2016)  
 Mr. Joshua McKean (appointed on 12 February 2016)  
 Mr. Malcolm Keefe (appointed on 12 February 2016)

The information on Directors of the Company at the date of this report:

**Mr. Greg Ruddock, *Non-Executive Chairman***

Date of appointment	12 February 2016	
Experience and expertise	<p>Greg is the Joint Chief Executive Officer of Ironbridge and co-leads Investment and Portfolio Management activities with Neil Broekhuizen. Greg has 13 years of private equity experience with GPEL and Ironbridge.</p> <p>Prior to joining GPEL in 1999, Greg had twelve years' operational experience at leading Australian industrial group Wesfarmers and with diversified listed company Avatar, where he was Managing Director of one of its major subsidiaries.</p> <p>Within the GPEL portfolio Greg led the successful development of Electronic Banking Solutions/Cashcard ("EBS/Cashcard"). In 2003 Greg became one of the Founding Partners of Ironbridge and has led its successful financial and outsourced services investment programme across both Ironbridge Funds.</p> <p>Greg has sat on the Ironbridge Investment Committee since inception and has represented the Ironbridge Funds on the Boards of Stardex, Super A-mart, EnviroWaste, Easternwell, FleetPartners, ISGM and AOS.</p>	
Qualifications	Qualified accountant and a Bachelor of Commerce degree from the University of Western Australia	
Other current directorships	Non-executive Director of Eclix Group Limited	
Former directorships in last 3 years	None	
Interest in shares and options	Fully paid ordinary shares	25,000,000
	Unlisted options	18,333,333

**Mr. Glen Dobbie, *Managing Director***

Date of appointment	12 February 2016	
Experience and expertise	<p>Glen is the Managing Partner of Auxano LLP, an investment firm that seeks to provide mid-market businesses with whatever they need to grow. Prior to this role, Glen was formerly the Group Commercial Director at Arowana &amp; Co, where he was primarily responsible for the investment operations of the ASX listed, Arowana International Limited. During his 8 years at Arowana &amp; Co, the firm recorded returns of over 30% per annum and Arowana International Limited's share price rose to \$1.00 from a listing price of \$0.35.</p>	

**NAVIGATOR RESOURCES LIMITED**  
**DIRECTORS' REPORT (continued)**

Qualifications	Glen has particular experience in “hands on” operational management across a variety of industries including education, media, infrastructure, engineering, waste management and technology businesses.	
	Glen has been involved in various capital raising activities and held directorships across a range of sectors for listed and unlisted companies as well as private equity funds.	
Other current directorships	Glen is a certified Gazelles business coach.	
	Bachelor of Commerce (Honours) degree from the University of New South Wales where he was a University Co-Op Scholar with the School of Accounting and a Graduate Diploma of Chartered Accounting from ICAA	
Former directorships in last 3 years	None	
Interest in shares and options	Non-executive Director of Intueri Education Group Limited	
	Fully paid ordinary shares	41,500,000
	Unlisted options	50,542,856

**Mr. Joshua McKean, Non-Executive Director**

Date of appointment	12 February 2016	
Experience and expertise	Josh joined the private equity industry in the early 2000's at JPMorgan where helped establish their Small Caps M&A and Financial Sponsors practice in Sydney. Having advised on the merger of Gresham Private Equity's EBS with Cashcard, Josh joined Cashcard as Business Development Manager. From there Josh joined the leading global private equity manager in Sydney, CVC Capital Partners.	
	Whilst at Cashcard Josh led due diligence on a number of acquisitions, including the successful acquisition of Direct Cash, a Melbourne based ATM deployer and assisted Gresham Private Equity in preparing the business for exit via a dual-track process.	
	Josh joined CVC Capital Partners in 2003 and worked on a number of successful transactions including the A\$1.2 billion IPO of Pacific Brands, the sale of Tech Pacific to Ingram Micro for A\$700 million, and the acquisition and subsequent divestment of Affinity Health to Ramsay Healthcare for A\$1.4 billion.	
	Josh joined Ironbridge in October 2005 and has played a lead role in the Ironbridge Fund's investment in Super A-Mart, the turnaround of Barbeques Galore Australia which has tripled EBITDA as well as the subsequent merger of Super A-Mart and Barbeques Galore Australia to form BBQSAM.	
Qualifications	Within the Ironbridge Fund II portfolio Josh has led the successful investments into Easternwell, a buy and build of a specialist mining services business that successfully exited to Transfield and its investment in Infrastructure Services Group (ISGM), a leading provider of advisory and outsourcing services in the Australian market that has quadrupled EBITDA in the last 4 years and ranked 9th in the 2014 BRW Fast 100.	
	Bachelor of Commerce (Honours) degree from the University of Melbourne	
Other current directorships	None	

**NAVIGATOR RESOURCES LIMITED  
DIRECTORS' REPORT (continued)**

Former directorships in last 3 years	None	
Interest in shares and options	Fully paid ordinary shares	24,600,000
	Unlisted options	18,333,333

**Mr. Malcolm Keefe, *Non-Executive Director***

Date of appointment	12 February 2016	
Experience and expertise	Malcolm has over 30 years of general management experience in a variety of businesses including education, information technology, print, and office products.	
	Malcolm has served as the Non-Executive Independent Chairman and Director of Arowana International Limited from November 2011 to March 2015. Prior to this role, Malcolm has served as Executive Director and Chief Operating Officer at Corporate Express Australia Ltd (also known as Staples Australia Pty Limited) until February 2010.	
	Malcolm also served as Chief Executive Officer of Kalamazoo (Aust) Pty Limited. He held senior management positions with the Swire Group in Hong Kong and with Kalamazoo PLC in the United Kingdom.	
Qualifications	Bachelor of Science (Honours) degree from the University of London	
Other current directorships	None	
Former directorships in last 3 years	Non-executive Director of Arowana International Limited	
Interest in shares and options	Fully paid ordinary shares	25,000,000
	Unlisted options	20,714,286

No ordinary shares issued by the Company during or since the end of the financial year were as a result of the exercise of options.

**Company Secretary**

**Alistair McKeough (*appointed 12 February 2016*)**

Alistair is Managing Director of Whittens & McKeough, a law firm specializing in small and mid-market public company work. Alistair has been company secretary to a variety of ASX listed companies. He is also a member of the University of New South Wales Law Advisory Council.

Alistair holds a Bachelor of Laws and Master of Laws from UNSW and is experienced in advising boards and senior executives in relation to their corporate governance and compliance, including compliance with the ASX Listing Rules.

**Remuneration of Directors and Senior Management**

Information about the remuneration of Directors and senior management is set out in the Remuneration Report on pages 18 - 20 of this Directors' Report.

**Share Options Granted to Directors and Executives**

During and since the end of the financial year no share options have been granted to Directors of the Company as part of their remuneration (2015: nil).

**NAVIGATOR RESOURCES LIMITED**  
**DIRECTORS' REPORT (continued)**

**Principal Activities**

The Company's principal activities during the course of the financial year including the period under voluntary administration was the maintenance of its exploration licence at Cummins Range in East Kimberly, Western Australia.

**Review of Operations**

The profit for the Company for the financial year after income tax expense was \$18,656,753 (2015: Consolidated loss of the Group was \$2,525,507) resulting from a write-back of loans which were extinguished post DOCA.

The Company was placed into voluntary administration on 28 March 2013. Since then the Company operated under a Deed of Company Arrangement ('DOCA') which was effectuated on 12 February 2016 thereby allowing the Company to be removed from external administration.

Upon coming out of external administration, the Company undertook a capital raising of \$2,000,250 and was focused on reinstatement to the official list of ASX. The Company was reinstated on the ASX on 31 March 2016.

The Company has undertaken the following tasks since reinstatement:

- Geological consultants appointed to review all previous exploration activities;
- Commenced the reprocessing of the available 2012 high resolution airborne magnetic survey; and
- Updating of the inputs into the concept level study completed previously and including further detail to lift the study level to scoping. Financial analysis will be conducted upon completion of the updated mineral resource estimation

**Changes in State of Affairs**

During the year the Company effectuated the DOCA which allowed it to be removed from external administration and was reinstated to the official list of the ASX.

**Subsequent Events**

Other than the following, the directors are not aware of any material events since the end of the financial year.

- On 28 July 2016, the Company indicated that it had requested a one-year extension of term for its Cummins Range Project exploration licence E80/2232.
- On 5 August 2016, the Company announced that the its request for an extension had been granted on the tenement until 3 March 2017.

**Environmental Regulations**

The Company is aware of its environmental obligations with regard to its exploration activities and acts to ensure that it complies with all regulations when carrying out exploration work.

**Dividends**

No dividends have been paid or declared during or since the end of the financial year. No recommendation for the payment of a dividend has been made.



**NAVIGATOR RESOURCES LIMITED  
DIRECTORS' REPORT (continued)**

**Share Options**

Shares Under Option or Issued on Exercise of Options

On 18 March 2016, the Company issued 175,000,000 options for nil consideration, exercisable at \$0.01 expiring on 18 March 2019. At the same time, the Company also issued 50,000,000 options for nil consideration, exercisable at \$0.02 expiring on 18 March 2020. As at 30 June 2016, a total of 225,000,000 options are outstanding.

Shares Issued on the Exercise of Options

There were no shares issued due to exercise of options during the financial year.

Share Options that Expired/Lapsed

All the options pre-DOCA being effectuated were deemed lapsed.

**Indemnification of Directors and Officers**

As the Company was under administration, since the beginning of the financial year the Company has not paid any insurance premiums in respect of Directors and Officers liability and corporate reimbursement for Directors and Officers of the Company. However, post the effectuation of the DOCA the Company has given an indemnity or entered into an agreement to indemnify, or paid or agreed to pay insurance premiums as follows:

- except as may be prohibited by the Corporations Act 2001 every Director and Officer of the Company shall be indemnified out of the property of the Company against any liability incurred by him or her in his or her capacity as Director or Officer of the Company or any related corporation in respect of any act or omission whatsoever and howsoever occurring or in defending any proceedings, whether civil or criminal.

The insurance premiums relate to:

- any loss for which the Directors and Officers may not be legally indemnified by the Company arising out of any claim, by reason of any wrongful act committed by them in their capacity as a Director or Officer of the Company or any related corporation, first made against them jointly or severally during the year of insurance; and
- indemnifying the Company against any payment which it has made and was legally permitted to make arising out of any claim, by reason of any wrongful act, committed by any Director or Officer in their capacity as a Director or Officer of the Company or any related corporation, first made against the Director or Officer during the period of insurance.

The insurance policy outlined above does not allocate the premium paid to each individual Officer of the Company.

**Directors' Meetings**

The following table sets out the number of Directors' meetings held during the period from effectuation of the DOCA (12 February 2016) to 30 June 2016 and the number of meetings attended by each director.

Director	Board of directors		Nomination and remuneration committee		Audit committee	
	Held	Attended	Held	Attended	Held	Attended
Greg Ruddock	2	2	-	-	-	-
Glen Dobbie	2	2	-	-	-	-
Josh McKean	2	2	-	-	-	-
Malcolm Keefe	2	2	-	-	-	-

**NAVIGATOR RESOURCES LIMITED  
DIRECTORS' REPORT (continued)**

**Proceedings on Behalf of the Company**

No persons have applied for leave pursuant to s.237 of the Corporations Act 2001 to bring, or intervene in, proceedings on behalf of Navigator Resources Ltd.

**Non-audit Services**

The Board of Directors is satisfied that the provision of the non-audit services during the year is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The Directors are satisfied that the services disclosed below did not compromise the external auditor's independence.

The following fees for non-audit services were paid / payable to the external auditors or related entities of the external auditors during the year ended 30 June 2016:

	30 June 2016	30 June 2015
	\$	\$
Taxation compliance service – preparation of tax return	5,000	-
Involvement in due diligence committee	1,000	-
Assistance in the preparation of financial statements	-	2,500
<b>Total</b>	<b>6,000</b>	<b>2,500</b>

**Auditor's Independence Declaration**

The auditor's independence declaration is included on page 20 of the Annual Report.

**Remuneration Report (Audited)**

This Remuneration Report, which forms part of the Directors' Report, sets out information about the remuneration of the Company's key management personnel for the financial year ended 30 June 2016. As noted above, the DOCA was effectuated and the Company was removed from administration on 12 February 2016 and accordingly this report includes remuneration for the current directors from the date of effectuation of the DOCA to end of the financial year.

The prescribed details for each person covered by this report are detailed below under the following headings:

- key management personnel details;
- remuneration policy and relationship between the remuneration policy and Company performance;
- remuneration of key management personnel; and
- key terms of employment contracts.

Key Management Personnel Details

From the date the Company entered into voluntary administration until 11 February 2016, the key management personnel were the administrators (Pitcher Partners, WA). From the date the Company was removed from administration (12 February 2016) to the end of the financial year, the key management personnel were the Board of Directors of the Company appointed on 12 February 2016 being:

- Mr. Greg Ruddock
- Mr. Glen Dobbie
- Mr. Joshua McKean
- Mr. Malcolm Keefe

**NAVIGATOR RESOURCES LIMITED**  
**DIRECTORS' REPORT (continued)**

Remuneration Policy and Relationship between the Remuneration Policy and Company Performance

There was no remuneration policy in place during the period when the Company was controlled by the external administrators (Pitcher Partners, WA). The remuneration for each of the Directors is up to \$100,000 annually. However, each of the Directors have agreed to waive their remuneration until the first acquisition that is material to the Company and represents an acquisition of greater than 50% of the fully diluted market capitalisation of the Company at the time of the acquisition, is made ("First Acquisition"). Following completion of the First Acquisition, the Board will approve and direct a payment to each Director to ensure that the Directors receive 100% of their base salary from the date of their appointment until the date of the First Acquisition. Following completion of the First Acquisition, 100% of the base salary will be payable monthly to the Directors.

**Key Management Personnel (excluding Non-Executive Directors)**

The Remuneration Committee was previously responsible for determining the remuneration policies for the Company, including those affecting Executive Directors and other key management personnel.

**Non-Executive Directors**

No fees were paid to non-executive directors during the year. However, as noted in the Remuneration Policy above, following completion of the First Acquisition, the Board will approve and direct a payment to each Director to ensure that the Directors receive 100% of their base salary from the date of their appointment until the date of the First Acquisition.

Remuneration of Key Management Personnel

As outlined above, the Company entered in voluntary administration on 28 March 2013. Accordingly, until 11 February 2016, the key management personnel were the administrators (Pitcher Partners, WA). From the date the Company was removed from administration (12 February 2016) to the end of the financial year the key management personnel were the Board of Directors of the Company appointed on 12 February 2016.

The remuneration paid to the Administrators (Pitcher Partners, WA) for the year ended 30 June 2016 and 2015 were \$165,232 and \$245,801, respectively. No remuneration was paid to the Board of Directors of the Company from 12 February 2016 to 30 June 2016.

Option Plans in Existence During the Financial Year

No options plans were in existence during the financial year.

Share-based Compensation to Key Management Personnel During the Current Financial Year

There was no share-based payment compensation made to key management personnel during the current financial year.

Key Terms of Employment Contracts

The key terms of appointment of Directors are:

- a fee of up to \$100,000 per annum (inclusive of superannuation)
- as noted in the Remuneration Policy above, fee is waived until completion of the First Acquisition
- the Company to maintain a Directors and Officers insurance policy
- the director may cease to hold office at any time by giving written notice of resignation
- the appointment will be terminated immediately if the directors is or becomes
  - in serious or persistent breach of this agreement, including but in no way limiting,

**NAVIGATOR RESOURCES LIMITED  
DIRECTORS' REPORT (continued)**

- engaging in any act which constitutes misconduct;
- o of unsound mind or a person whose person or estate is liable to be dealt with in any way under laws relating to mental health;
  - o convicted with any criminal offence which in the reasonable opinion of Navigator brings you or Navigator into disrepute;
  - o convicted with any civil offence, including an order that you are prevented from managing a business or being a director for a period of time, which in the reasonable opinion of Navigator brings you or Navigator into disrepute;
  - o neglectful of your duties under this agreement; or
  - o engaged in any insider trading or similar activity.

**Shareholdings Register for Directors and KMP as at 30 June 2016**

	Balance at the start of the year	Shares issued from Options exercised	Net Acquired/(Disposed)	Balance at the end of the year
Greg Ruddock	-	-	25,000,000	25,000,000
Glen Dobbie	-	-	41,500,000	41,500,000
Josh McKean	-	-	24,600,000	24,600,000
Malcolm Keefe	-	-	25,000,000	25,000,000
<b>Total</b>	<b>-</b>	<b>-</b>	<b>116,100,000</b>	<b>116,100,000</b>

**Options Holdings Register for Directors and KMP as at 30 June 2016**

	Balance at the start of the year		Vested		Forfeited			Balance at the end of the year		
	Unvested	Granted	Number	%	Exercised	Number	%	Expired/lapsed	Vested and exercisable	Unvested
		during period								
Greg Ruddock	-	18,333,333	18,333,333	100	-	-	-	-	18,333,333	-
Glen Dobbie	-	50,542,856	50,542,856	100	-	-	-	-	50,542,856	-
Josh McKean	-	18,333,333	18,333,333	100	-	-	-	-	18,333,333	-
Malcolm Keefe	-	20,714,286	20,714,286	100	-	-	-	-	20,714,286	-
<b>Total</b>	<b>-</b>	<b>107,923,808</b>	<b>107,923,808</b>						<b>107,923,808</b>	

---- End of Remuneration Report ----

This Directors' Report is signed in accordance with a resolution of Directors made pursuant to s.298(2) of the Corporations Act 2001.

On behalf of the Directors



Glen Dobbie  
Managing Director

Sydney, 29 September 2016

**AUDITOR'S INDEPENDENCE DECLARATION  
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001  
TO THE DIRECTORS OF  
NAVIGATOR RESOURCES LIMITED**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2016, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.

*PKF Hacketts*

**PKF HACKETTS AUDIT**



**Shaun Lindemann  
Partner**

Brisbane, 29 September 2016

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF NAVIGATOR RESOURCES LIMITED**

**Report on the Financial Report**

We have audited the accompanying financial report of Navigator Resources Limited ("the Company") which comprises the statement of financial position as at 30 June 2016, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the Directors' declaration of the Company.

*Directors' Responsibility for the Financial Report*

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the Directors also state, in accordance with Accounting Standard AASB 101: *Presentation of Financial Statements* that the financial statements comply with International Financial Reporting Standards.

*Auditor's Responsibility*

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*Independence*

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

*Opinion*

In our opinion:

- a) the financial report of Navigator Resources Ltd is in accordance with the *Corporations Act 2001*, including:
  - i. giving a true and fair view of the Company's financial position as at 30 June 2016 and of its performance for the year ended on that date; and
  - ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

- 22 -

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF NAVIGATOR RESOURCES LIMITED  
(continued)**

**Report on the Remuneration Report**

We have audited the Remuneration Report included in page 18 to 20 of the directors' report for the year ended 30 June 2016. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

*Opinion*

In our opinion, the Remuneration Report of Navigator Resources Limited for the period ended 30 June 2016, complies with section 300A of the *Corporations Act 2001*.

*PKF Hacketts*

**PKF Hacketts Audit**  
Brisbane, 29 September 2016



**Shaun Lindemann**  
**Partner**

**NAVIGATOR RESOURCES LIMITED**

**DIRECTORS' DECLARATION**

1. In the opinion of the Directors of Navigator Resources Limited:
  - (a) The accompanying financial statements and notes are in accordance with the *Corporations Act 2001* including:
    - (i) Giving a true and fair view of the Company's financial position as at 30 June 2016 and of its performance for the year ended; and
    - (ii) Complying with Australian Accounting Standards, the *Corporations Regulations 2001*, professional reporting requirements and other mandatory requirements.
  - (b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
  - (c) The financial statements and notes thereto are in accordance with the International Financial Reporting Standards issued by the International Accounting Standards Board.
2. This declaration has been made after receiving the declarations required to be made by the Managing Director to the Directors in accordance with Section 295A of the *Corporations Act 2001* for the financial year ended 30 June 2016.

This declaration is signed in accordance with a resolution of the Board of Directors.

On behalf of the Directors



Glen Dobbie  
Managing Director

Sydney, 29 September 2016



**NAVIGATOR RESOURCES LIMITED**  
**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30 JUNE 2016**

	Note	2016 \$	2015 \$
<b>Revenue from continuing operations</b>			
Operating sales revenue		-	-
Other revenue	3a	19,122,090	38,155
		<b>19,122,090</b>	<b>38,155</b>
<b>Expenses</b>			
Exploration expenses		(75,218)	(396,297)
General and administration expenses	3b	(390,119)	(779,507)
Impairment of assets		-	(19,246)
<b>Profit/(Loss) before income tax</b>		<b>18,656,753</b>	<b>(1,156,895)</b>
Income tax expense	4	-	-
<b>Profit/(Loss) from continuing operations</b>		<b>18,656,753</b>	<b>(1,156,895)</b>
Loss from discontinued operations	22b	-	(1,368,612)
<b>Profit/(Loss) for the year attributable to the owners of Navigator Resources Limited</b>		<b>18,656,753</b>	<b>(2,525,507)</b>
Other comprehensive income		-	-
<b>Total comprehensive income/(loss) for the year attributable to the owners of Navigator Resources Limited</b>		<b>18,656,753</b>	<b>(2,525,507)</b>
Total comprehensive income/(loss) for the year attributable to the owners of Navigator Resources Limited arises from:			
Continuing operations		18,656,753	(1,156,895)
Discontinued operations		-	(1,368,612)
		<b>18,656,753</b>	<b>(2,525,507)</b>
<b>Earnings per share (EPS) for profit / (loss) from continuing operations attributable to the ordinary equity holders of the Company:</b>			
Basic earnings / (loss) per share	13	0.15	(0.06)
Diluted earnings / (loss) per share	13	0.15	(0.06)
<b>Earnings per share (EPS) for profit / (loss) attributable to the ordinary equity holders of the Company:</b>			
Basic earnings / (loss) per share	13	0.15	(0.14)
Diluted earnings / (loss) per share	13	0.15	(0.14)

The accompanying notes form part of these financial statements and should be read in conjunction with the accompanying notes

**NAVIGATOR RESOURCES LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2016**

	Note	2016 \$	2015 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	5	984,167	191,485
Trade and other receivables	6	39,664	16,924
<b>TOTAL CURRENT ASSETS</b>		<b>1,023,831</b>	<b>208,409</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant & equipment	7	-	-
Other financial assets	8	-	62,429
<b>TOTAL NON-CURRENT ASSETS</b>		<b>-</b>	<b>62,429</b>
<b>TOTAL ASSETS</b>		<b>1,023,831</b>	<b>270,838</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	9	18,695	1,116,878
Borrowings	10	-	18,646,880
<b>TOTAL CURRENT LIABILITIES</b>		<b>18,695</b>	<b>19,763,758</b>
<b>NON-CURRENT LIABILITIES</b>			
Provisions	11	-	9,162
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>-</b>	<b>9,162</b>
<b>TOTAL LIABILITIES</b>		<b>18,695</b>	<b>19,772,920</b>
<b>NET ASSETS (LIABILITIES)</b>		<b>1,005,136</b>	<b>(19,502,082)</b>
<b>EQUITY</b>			
Issued capital	12	115,259,952	113,409,487
Accumulated losses		(114,254,816)	(132,911,569)
<b>TOTAL EQUITY</b>		<b>1,005,136</b>	<b>(19,502,082)</b>

The accompanying notes form part of these financial statements and should be read in conjunction with the accompanying notes

**NAVIGATOR RESOURCES LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 30 JUNE 2016**

	Fully paid ordinary shares (issued capital) \$	Accumulated losses \$	Total \$
<b>Balance at 1 July 2014</b>	113,409,487	(130,386,063)	(16,976,576)
<b>Comprehensive income</b>			
Loss for the period	-	(2,525,507)	(2,525,507)
<b>Total comprehensive income for the year</b>	-	<b>(2,525,507)</b>	<b>(2,525,507)</b>
<b>Transactions with owners in their capacity as owners and other transfers</b>			
Issue of shares	-	-	-
Share issue costs	-	-	-
<b>Total transactions with owners and other transfers</b>	-	-	-
<b>Balance at 30 June 2015</b>	<b>113,409,487</b>	<b>(132,911,569)</b>	<b>(19,502,082)</b>
<b>Balance at 1 July 2015</b>	113,409,487	(132,911,569)	(19,502,082)
<b>Comprehensive income</b>			
Profit for the period	-	18,656,753	18,656,753
<b>Total comprehensive income</b>	-	<b>18,656,753</b>	<b>18,656,753</b>
<b>Transactions with owners in their capacity as owners and other transfers</b>			
Issue of shares	2,000,250	-	2,000,250
Share issue costs	(149,785)	-	(149,785)
<b>Total transactions with owners and other transfers</b>	<b>1,850,465</b>	-	<b>1,850,465</b>
<b>Balance at 30 June 2016</b>	<b>115,259,952</b>	<b>(114,254,816)</b>	<b>1,005,135</b>

The accompanying notes form part of these financial statements and should  
be read in conjunction with the accompanying notes

**NAVIGATOR RESOURCES LIMITED**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30 JUNE 2016**

	Note	2016 \$	2015 \$
<b>Cash Flows from Operating Activities</b>			
Receipts from customers		-	447,532
Payments to suppliers and employees		(447,034)	(4,452,281)
Interest received		4,251	38,185
<b>Net cash used in operating activities</b>	<b>16b</b>	<b>(442,783)</b>	<b>(3,966,564)</b>
<b>Cash Flows from Investing Activities</b>			
Proceeds from sale of discontinued operations		-	1,882,311
Payments for exploration, evaluation and development of tenements		-	3
<b>Net cash provided by investing activities</b>		<b>-</b>	<b>1,882,311</b>
<b>Cash Flows from Financing Activities</b>			
Proceeds from issue of equity		2,000,250	-
Payment for share issue costs		(149,785)	-
Payment for effectuation of the DOCA		(615,000)	-
Proceeds from borrowings		601,891	487,085
Repayments of borrowings		(601,891)	(506,330)
<b>Net cash provided by / (used in) financing activities</b>		<b>1,235,465</b>	<b>(19,246)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>792,682</b>	<b>(2,103,496)</b>
Cash and cash equivalents at the beginning of the financial year		191,485	2,294,981
<b>Cash and cash equivalents at the end of the financial year</b>	<b>16a</b>	<b>984,167</b>	<b>191,485</b>

The accompanying notes form part of these financial statements and should be read in conjunction with the accompanying notes

**NAVIGATOR RESOURCES LTD**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2016**

Navigator Resources Limited (the "Company") is a public company listed on the Australian Securities Exchange (trading under the code "NAV"), incorporated in Australia and operating in Australia. The Company's ordinary shares were suspended from trading since entering voluntary administration in March 2013. However, post effectuation of the DOCA on 12 February 2016 the Company raised \$2,000,250 in March 2016 and was reinstated on the official list of the Australian Securities Exchange in March 2016. The Company's ordinary shares are publicly traded on the Australian Securities Exchange.

The entity's principal activities are in the production, exploration and evaluation of mineral resources in Australia.

**Note 1: Significant Accounting Policies**

**Basis of preparation**

Statement of Compliance

The financial report is a general purpose financial report which has been prepared in accordance with the Corporations Act 2001 and Australian Accounting Standards and Interpretations and complies with other requirements of the law. The financial report also complies with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

The Company is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

Except for the cash flow information, the financial statements have been prepared on an accrual basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

The financial statements were authorised for issue by the Directors on 28 September 2016.

Adoption of New and Revised Accounting Standards

During the year to 30 June 2016, the Company has reviewed all new and revised Standards and Interpretations issued by the Australian Accounting Standards Board that are relevant to its operations and effective for the current annual accounting period. It has been determined by the Company that there is no impact, material or otherwise, of the new or revised Standards and Interpretations on its business and, therefore, no change is necessary to Company's accounting policies.

The Company has also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the year ended 30 June 2016. As a result of this review the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change necessary to Company's accounting policies. It is worth noting the Company had been either in external administration or subject to a DOCA from 28 March 2013 to 12 February 2016.

**NAVIGATOR RESOURCES LIMITED**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2016 (continued)**

Significant Accounting Policies

The following significant accounting policies have been adopted in the preparation and presentation of the Financial Report:

**(a) Basis of Consolidation**

As all subsidiaries were deconsolidated upon disposal during the year ended 30 June 2015, the presented statement of financial position as at 30 June 2016 represents that of the parent entity (Navigator Resources Limited) only.

**(b) Presentation Currency**

The entity operates entirely within Australia and the presentation currency is Australian dollars.

**(c) Revenue Recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

*Sale of Goods*

Revenue from the sale of mineral production is recognised when the significant risks and rewards of ownership of the mineral production have passed to the buyer and the costs incurred or to be incurred in respect of the transaction can be measured reliably. Risks and rewards of ownership are considered passed to the buyer at the time of delivery of the mineral production to the customer and the price has been set.

*Dividend and Interest Revenue*

Dividend revenue is recognised on a receivable basis. Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

**(d) Cash and Cash Equivalents**

Cash and cash equivalents comprise cash on hand, cash at bank and investments in money market instruments, net of outstanding bank overdrafts.

**(e) Receivables**

Trade and other receivables are recorded at amounts due less any allowance for doubtful debts. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

**(f) Income Tax**

The income tax expense/(income) for the year comprises current income tax expense (income) and deferred tax expense (income). Current income tax expense/(income) charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well unused tax losses.

**NAVIGATOR RESOURCES LIMITED**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2016 (continued)**

Current and deferred income tax expense/(income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

**(g) Goods and Services Tax**

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

- where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the Statement of Cash Flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

**(h) Payables**

Trade payables and other accounts payable are recognised when the entity becomes obliged to make future payments resulting from the purchase of goods and services.

**(i) Impairment of Assets**

At each reporting date, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

**NAVIGATOR RESOURCES LIMITED**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2016 (continued)**

**(j) Exploration and Evaluation Expenditure**

Exploration, evaluation and development expenditure incurred may be accumulated in respect of each identifiable area of interest. These costs are carried forward only if they relate to an area of interest for which rights of tenure are current and in respect of which:

- such costs are expected to be recouped through successful development and exploitation or from sale of the area; or
- exploration and evaluation activities in the area have not, at balance date, reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active operations in, or relating to, the area are continuing.

Accumulated costs in respect of areas of interest which are abandoned are written off in full against profit or loss in the year in which the decision to abandon the area is made. A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Notwithstanding the fact that a decision not to abandon an area of interest has been made, based on the above, the exploration and evaluation expenditure in relation to an area may still be written off if considered appropriate to do so.

**(k) Issued Capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a new business are not included in the cost of acquisition as part of the purchase consideration.

**(l) Earnings per Share**

*Basic Earnings per Share*

Basic earnings per share is calculated by dividing the profit/(loss) attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

*Diluted Earnings per Share*

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

**Note 2: Critical Accounting Judgements and Key Accounting Estimates and Assumptions**

Judgements made by management in the application of the Company's accounting policies that have significant effects on the financial statements and estimates with a significant risk of material adjustments in the next year are disclosed, where applicable, in the relevant note to the financial statements.

The following are the key judgements and assumptions concerning the future, and other key sources of estimation of uncertainty at the balance date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:



**NAVIGATOR RESOURCES LIMITED**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2016 (continued)**

**(a) Impairment**

The Company assesses impairment at each reporting date by evaluating conditions specific to the Company that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined.

**Note 3: Revenue and Expenses**

Profit / (loss) before income tax from continuing operations includes the following revenues and expenses whose disclosure is relevant in explaining the performance of the Company:

	2016 \$	2015 \$
<b>(a) Other revenue</b>		
Interest income	4,251	38,155
Others income (liability write-back on effectuation of DOCA)	19,117,839	-
	<b>19,112,090</b>	<b>38,155</b>
<b>(b) General and administration expenses</b>		
Salary and wages	-	34,979
ASX, registries and company secretarial fees	75,265	26,463
Remuneration of administrators	165,232	245,801
Legal and professional fees	74,653	378,755
Insurance	16,618	10,270
Others	58,351	83,239
	<b>390,119</b>	<b>779,507</b>

**Note 4: Income Taxes**

Income tax recognised in profit or loss:

The major components of tax expense are:

Current tax expense / (income)	-	-
Underprovision / (overprovision) of prior year tax	-	-
Deferred tax assets:		
Origination and reversal of temporary differences	-	-
Underprovision / (overprovision) of prior year tax	-	-
Recognition of previously unrecognised tax losses	-	-
<b>Total tax expense / (income)</b>	<b>-</b>	<b>-</b>

The prima facie income tax expense / (benefit) on pre-tax accounting profit / (loss) from operations reconciles to the income tax expense in the financial statements as follows:

Profit / (Loss) from operations before tax

	18,656,753	(2,525,207)
Less: Non-tax income	(19,117,839)	-
Taxable profit / (Loss) from operations before tax	(461,086)	(2,525,207)
Income tax benefit calculated at 30% (30 June 2014: 30%)	(138,326)	(757,562)
Tax effects of amounts which are not deductible in calculating taxable income	138,326	757,562
Income tax benefit	-	-

**NAVIGATOR RESOURCES LIMITED**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2016 (continued)**

**Note 4: Income Taxes (continued)**

The tax rate used in the above reconciliation is the corporate tax rate of 30% payable by Australian corporate entities on taxable profits under Australian law. There has been no change in the corporate tax rate when compared with the previous reporting period.

Deferred tax assets balances are deemed highly unlikely to be recovered at present and therefore have not been recognised. The Directors cannot reasonably determine the extent of taxable losses available to the Company at this point, subsequent to effectuation of the DOCA.

	2016	2015
	\$	\$

**Note 5: Cash and cash equivalents**

Cash at bank	984,167	191,485
	<b>984,167</b>	<b>191,485</b>

**Note 6: Trade and Other Receivables**

Current		
Goods and services tax recoverable	27,664	16,924
Prepayments	12,000	-
	<b>39,664</b>	<b>16,924</b>

**Note 7: Property, Plant and Equipment**

	Land and buildings at fair value \$	Plant and equipment at cost \$	Total \$
<b>Cost</b>			
<b>Balance at 1 July 2014</b>	<b>8,000</b>	<b>9,128,040</b>	<b>9,136,040</b>
Additions	-	-	-
<b>Balance at 30 June 2015</b>	<b>8,000</b>	<b>9,128,040</b>	<b>9,136,040</b>
Additions	-	-	-
Net-off against accumulated depreciation	(8,000)	(9,128,040)	(9,136,040)
<b>Balance at 30 June 2016</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Accumulated depreciation and impairment</b>			
<b>Balance at 1 July 2014</b>	<b>8,000</b>	<b>9,128,040</b>	<b>9,136,040</b>
Depreciation expense	-	-	-
<b>Balance at 30 June 2015</b>	<b>8,000</b>	<b>9,128,040</b>	<b>9,136,040</b>
Depreciation expense	-	-	-
Net-off against cost	(8,000)	(9,128,040)	(9,136,040)
<b>Balance at 30 June 2016</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net book value</b>			
As at 30 June 2015	-	-	-
As at 30 June 2016	-	-	-

**NAVIGATOR RESOURCES LIMITED**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2016 (continued)**

	2016	2015
	\$	\$

**Note 8: Other Financial Assets**

**Non-current**

Security deposits for environmental bonds (i)	-	62,429
	-	<b>62,429</b>

*(i) Security deposits on Environmental Bonds*

The Company had cash on deposit with a financial institution that secure the provision of environmental performance bonds provided to the Government of Western Australia over tenements.

**Note 9: Trade and Other Payables**

Trade payables and accruals	18,695	1,087,503
Employee entitlements	-	29,375
	<b>18,695</b>	<b>1,116,878</b>

*(i) Trade Payables*

The credit period on purchases of goods and services ranges 7 days to 30 days from date of invoice. No interest is charged on trade payables before the due date of payment of the invoice. Thereafter, interest may be charged at various penalty rates. The Company has financial risk management policies in place to ensure all payables are paid within the credit timeframe.

**Note 10: Borrowings**

**Current**

Short term finance facility (i)	-	18,646,880
Related party loan	-	-
	-	<b>18,646,880</b>

*(i) Short Term Finance Facility*

The Company had borrowings under an unsecured short term finance facility with significant shareholder and related-party, Au Mining Limited ("AU Mining"). The Company repaid a portion of the loan in accordance with the DOCA with the balance written back in the current period as "other income".

**Note 11: Provisions**

**Non-current**

Employee entitlements	-	9,162
	-	<b>9,162</b>

**NAVIGATOR RESOURCES LIMITED**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2016 (continued)**

**Note 12: Issued Capital**

	2016		2015	
	No. of shares/ options	\$	No. of shares/ options	\$
Fully paid ordinary shares	393,223,695	115,259,952	18,223,695	113,409,487
Listed options	-	-	-	-
<b>Fully paid ordinary Shares</b>				
Balance at beginning of financial year	18,223,695	113,409,487	18,223,695	113,409,487
Ordinary shares issued for 0.001 cent per share	25,000,000	250	-	-
Ordinary shares issued for 0.25 cents per share	200,000,000	500,000	-	-
Ordinary shares issued for 1 cent per share	150,000,000	1,500,000	-	-
Share issue costs	-	(149,785)	-	-
<b>Balance at end of financial year</b>	<b>393,223,695</b>	<b>115,259,952</b>	<b>18,223,695</b>	<b>113,409,487</b>
<b>Unlisted Options</b>				
Balance at beginning of financial year	-	-	-	-
Options issued during the year	225,000,000	-	-	-
<b>Balance at end of financial year</b>	<b>225,000,000</b>	<b>-</b>	<b>-</b>	<b>-</b>

Fully paid ordinary shares carry one (1) vote per share and carry the right to dividends. Unlisted options issued by the Company carry no rights to dividends and no voting rights.

**Note 13: Earnings / (Loss) per Share**

	2016	2015
	\$	\$
<b>Basic earnings / (loss) per share</b>		
From continuing operations	0.15	(0.06)
From discontinued operations	-	(0.08)
Total basic earnings / (loss) per share	0.15	(0.14)
<b>Diluted earnings / (loss) per share</b>		
From continuing operations	0.15	(0.06)
From discontinued operations	-	(0.08)
Total diluted earnings / (loss) per share	0.15	(0.14)

**NAVIGATOR RESOURCES LIMITED**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2016 (continued)**

**Profit attributable to the owners of the Company**

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
Profit / (Loss) from continuing operations	18,656,753	(1,156,895)
Loss from discontinued operations	-	(1,368,612)
Net Profit / (Loss) attributable to the owners of the Company	<u>18,656,753</u>	<u>(2,525,507)</u>

**Weighted average number of ordinary shares for the purposes of**

	<b>2016</b>	<b>2015</b>
	<b>Nos.</b>	<b>Nos.</b>
Basic earnings / (loss) per share	<u>120,963,421</u>	<u>18,223,695</u>
Diluted earnings / (loss) per share	<u>120,963,421</u>	<u>18,223,695</u>

225,000,000 options were issued during the year and outstanding at 30 June 2016. The exercise price of the options is higher than the market price of the share and therefore there are no potential dilutive shares had been taken into account in the calculation of diluted earnings per share.

**Note 14: Commitments**

**a) Exploration Expenditure Commitments**

There were no further exploration expenditure commitments at balance date.

**b) Operating Lease Commitments**

There were no operating lease commitments at balance date.

**Note 15: Contingent Liabilities and Contingent Assets**

In the opinion of the Directors, there are no contingent liabilities as at 30 June 2016 and no contingent liabilities at the date of this financial report other than the Director's remuneration that is contingent upon the successful of 'First Acquisition'. (Refer details in the Remuneration Report as part of the Directors' Report).

**NAVIGATOR RESOURCES LIMITED**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2016 (continued)**

**Note 16: Notes to the Statement of Cash Flows**

**a) Reconciliation of Cash and Cash Equivalents**

For the purposes of the Statement of Cash Flows, cash and cash equivalents includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts and cash and cash equivalents that form part of 'Assets Classified as Held for Sale'. Cash and cash equivalents at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

	2016	2015
	\$	\$
Cash and cash at bank	984,167	191,485
	<b>984,167</b>	<b>191,485</b>

**b) Reconciliation of Loss for the Period/(Loss) to Net Cash Flows from Operating Activities**

Operating profit / (loss) after income tax	18,656,753	(2,525,507)
<i>Non-cash adjustment</i>		
Write back of assets and liabilities on effectuation of DOCA	(19,078,567)	-
Impairment of mining and development properties	-	19,246
<i>Changes in net assets and liabilities</i>		
(Increase) / decrease in assets:		
Trade and other receivables (current)	(39,664)	2,690,907
Inventories and deferred mining expenditure	-	-
Increase / (decrease) in liabilities:		
Trade and other payables	18,695	(4,121,835)
Provisions	-	(29,375)
Cash used by operating activities	<b>(442,783)</b>	<b>(3,966,564)</b>

**Note 17: Financial Instruments**

Overview

The Company has exposure to the following risks from its use of financial instruments:

- market risk;
- credit risk;
- liquidity risk; and
- capital risk

This note presents information about the Company's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk and the management of capital. Further quantitative disclosures are included throughout this note and the financial report.

The Board of Directors have overall responsibility for the establishment and oversight of the risk management framework. Risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls to monitor risk and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and Company's activities. The Company aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

**NAVIGATOR RESOURCES LIMITED**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2016 (continued)**

Market Risk Management

**a) Interest Rate Risk**

There were no material exposures to the interest rate risk.

**b) Commodity Risk**

The Company is currently in the process of reviewing all previous exploration activities and updating inputs into the concept level study completed previously to lift the study level to scoping. Based on the above, there are no material exposures to the commodity risk.

**c) Currency Risk**

The Company currently has no assets or liabilities in foreign currency and consequently has no material exposures to the currency risk.

Credit Risk Management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company's exposure and the credit ratings of its counterparties are continuously monitored. Credit exposure is controlled by counterparty limits that are reviewed and approved by the Audit Committee annually. The Company measures credit risk on fair value basis.

Liquidity Risk Management

Liquidity risk is the risk that the Company will be unable to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure as far as possible, that it will always have sufficient liquidity to meet its liabilities when they fall due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Liquidity risk management is the responsibility of the Board of Directors, which has built an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and the liquidity management requirements.

Capital Risk Management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The capital structure of the Company consists of equity, comprising issued capital and reserves, net of accumulated losses.

**Note 18: Share-based Payments**

Employee Share-Based Payment Arrangements

There were no employee share-based payment arrangements in existence at 30 June 2016.

**NAVIGATOR RESOURCES LIMITED**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2016 (continued)**

**Note 19: Related Party Transactions**

Transactions with Related Parties

*Auxano LLP Pty Limited*

Auxano LLP Pty Limited (“Auxano LLP”) is an entity related to Mr. Glen Dobbie, Managing Director of the Company. Auxano LLP had advanced unsecured funds to assist the Company effectuate the DOCA and incur costs during the reinstatement process. All funds advanced by Auxano LLP were repaid using the capital raising funds.

Transactions with Key Management Personnel

Refer to Directors Report on the information of transactions with Key Management Personnel.

**Note 20: Remuneration to Auditors**

	2016	2015
	\$	\$
<b>Amounts received or due and receivable – PKF Hacketts Audit (2015: PKF Hacketts)</b>		
Audit and review of the financial reports	5,000	10,000
Tax compliance service – preparation of tax return	5,000	-
Involvement in due diligence committee	1,000	-
	<b>11,000</b>	<b>10,000</b>

The auditor of Navigator Resources Limited is PKF Hacketts Audit.

**Note 21: Subsequent Events**

Other than the following, the directors are not aware of any material events since the end of the financial year.

- On 28 July 2016, the Company indicated that it had requested a one-year extension of term for its Cummins Range Project exploration licence E80/2232.
- On 5 August 2016, the Company announced that the its request for an extension had been granted on the tenement until 3 March 2017.

**Note 22: Discontinued Operations**

**a. Description**

On 28 March 2013, the Company entered into voluntary administration. The associated subsidiaries were consequently presented as held for sale at balance date with Navigator Bronzewing being sold on 27 June 2014, whilst Navigator Mining Pty Ltd was sold on 3 November 2014. Financial information relating to the discontinued operations for year ended 30 June 2015 is set out below.



**NAVIGATOR RESOURCES LIMITED**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2016 (continued)**

**Note 22: Discontinued Operations (continued)**

**b. Financial Performance Information**

The financial performance of the discontinued operations for the period ended 30 June 2015, which is included in loss from discontinued operations per the statement of profit or loss and other comprehensive income, is as follows:

	\$
Revenue	68,559
Expenses	(155,442)
Loss before income tax	(86,883)
Income tax expense	-
Total loss after tax attributable to the discontinued operation	(86,883)
Loss on sale of Navigator Mining	(1,281,729)
Total loss after tax attributable to the discontinued operation	(1,368,612)

**c. Detail on sale of Navigator Mining Pty Ltd**

	\$
<b>Sales consideration:</b>	
Cash	2,082,311
<b>Net assets disposed</b>	
Cash	16,024
Trade and other receivables	157,869
Property, plant & equipment	150,283
Exploration tenements	2,933,839
Environmental bonds	161,025
Provision for rehabilitation	(55,000)
<b>Net assets disposed</b>	<b>3,364,040</b>
<b>Loss on sale</b>	<b>(1,281,729)</b>

**d. Cash Flow Information**

The net cash flows of the discontinued operations, which have been incorporated into the statement of cash flows, are as follows:

	\$
Net cash outflow from operating activities	(487,995)
Net cash inflow from investing activities	4
Net cash inflow from financing activities	487,085
Net decrease in cash generated by discontinued operations	(909)

**NAVIGATOR RESOURCES LIMITED**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2016 (continued)**

Pursuant to the Listing Rules of the Australian Securities Exchange, the information provided below was current as at 27 September 2016

**1. Quoted Securities**

**a. Capital**

Share capital comprised 393,223,695 fully paid ordinary shares (ASX: NAV)

**b. Substantial shareholdings lodged with the Company**

Substantial shareholder	No. of shares held
DF Capital Investments Pty Limited <Dobbie Family Super Fund A/c> and Glen Dobbie	41,500,000
Tubbin Investments Pty Ltd <The Ruddock Family A/c> and Gregory Ruddock	25,000,000
Inisfree Holdings Pty Ltd <The Keefe Family Super Fund> and Malcolm Keefe	25,000,000
JMcKean Investments P/L <McKean Family A/c> and Joshua McKean	24,600,000
Redwine Holdings Pty Ltd <The Redwine Family A/c> and Beverley Gay Richards	24,000,000
Deton8 Pty Ltd <Welch Family A/c> and Paul Welch	24,000,000
Ranan Investment Pty Ltd <Suprpto Family Trust> and Steve Suprpto	24,000,000

**c. 20 largest shareholders**

Position	Name	No. of shares	% held of total issued capital
1	DF Capital Investments Pty Limited <Dobbie Family Super Fund A/c>	41,500,000	10.55
2	Tubbin Investments Pty Ltd <The Ruddock Family A/c>	25,000,000	6.36
2	Inisfree Holdings Pty Ltd <The Keefe Family Super Fund>	25,000,000	6.36
3	JMcKean Investments P/L <McKean Family A/c>	24,600,000	6.26
4	Redwine Holdings Pty Ltd <The Redwine Family A/c>	24,000,000	6.10
4	Deton8 Pty Ltd <Welch Family A/c>	24,000,000	6.10
4	Ranan Investment Pty Ltd <Suprpto Family Trust>	24,000,000	6.10
5	Mr. Pratyush Bhupendra Jagdishwala & Mrs. Urvi Pratyush Jagdishwala <Jagdishwala Family A/c>	13,750,000	3.50
6	Mr. Nicholas David Young & Mr. Andrew Steven Young <Young A/c>	12,727,777	3.24
7	Haydalex Pty Ltd <Haydalex A/c>	7,666,667	1.95
8	HSBC Custody Nominees (Australia) Limited	6,832,473	1.74
9	Reunion Investments Pty Ltd	6,666,667	1.70
10	Au Mining Limited	5,906,535	1.50
11	Jarumito Pty Ltd <The Jarumito Family A/c>	5,870,789	1.49
12	Mr. Simon Moore	5,000,000	1.27
12	Brilac Pty Limited <Brilac Family A/c>	5,000,000	1.27
13	Jagdishwala Investment Holdings Pty Ltd <Jagdishwala Family SF A/C>	4,800,000	1.22
14	AH Super Pty Ltd <The AH Super Fund A/c>	4,500,000	1.14

**NAVIGATOR RESOURCES LIMITED**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2016 (continued)**

Position	Name	No. of shares	% held of total issued capital
15	J.P. Morgan Nominees Australia Limited	4,238,906	1.08
16	Romfal Sifat Pty Ltd <The Fizmail Family A/c>	3,125,000	0.79
17	Jonald Pty Limited <Jonathan Donald Family A/c>	2,950,000	0.75
18	Attollo Investments Pty Ltd <Attollo Investment A/c>	2,500,000	0.64
18	Buzz Capital Pty Ltd <Zi Vestment A/c>	2,500,000	0.64
18	Ralsten Pty Ltd	2,500,000	0.64
19	Bellfields Investments Pty Ltd	2,150,000	0.55
20	Maxim Capital Pty Limited	2,000,000	0.51
21	Haydalex Pty Ltd <Haydalex Super>	2,000,000	0.51
22	Jarumitoti Pty Ltd <Jarumitoti SuperFund A/c>	2,000,000	0.51
23	Susan Woodcock	2,000,000	0.51
		<b>294,800,776</b>	<b>74.97</b>

**d. Distribution of shareholders**

Spread of holdings	No. of holders	No. of shares	% of total issued capital
1 – 1,000	5,309	721,569	0.18
1,001 – 5,000	412	941,377	0.24
5,001 – 10,000	54	362,266	0.09
10,001 – 100,000	67	2,109,807	0.54
100,001 and above	325	389,088,676	98.95
<b>Total</b>	<b>6,167</b>	<b>393,223,695</b>	<b>100.00</b>

As at 27 September 2016, there were 5,828 shareholders with unmarketable parcel of shares.

**e. Voting rights**

Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.

**2. Unquoted Securities**

**a. Capital**

The following options, which have no voting rights, are on issue as at 28 September 2016

Options	No. of options	No. of holders
Unlisted options exercisable at 1 cent each by 18 March 2019	175,000,000	17
Unlisted options exercisable at 2 cents each by 18 March 2020	50,000,000	10

**NAVIGATOR RESOURCES LIMITED**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2016 (continued)**

**b. Significant holders of unquoted securities**

<b>Name</b>	<b>Options</b>	<b>No. of options</b>
DF Capital Investments Pty Limited <Dobbie Family Super Fund A/c>	Unlisted options exercisable at 1 cent each by 18 March 2019	36,600,000
DF Finance Pty Ltd <DF A/c>	Unlisted options exercisable at 2 cents each by 18 March 2020	13,942,856