



27 March 2017

ASX ANNOUNCEMENT

NAV signs binding heads of agreement to acquire First Pharma

27 March 2017: The Board of Navigator Resources Limited (ASX:NAV) (**NAV**) is pleased to advise that it has entered into a binding heads of agreement to acquire 100% of the issued capital of First Pharma Pty Limited (**First Pharma**), an Australian-based OTC pharmaceutical business (**Transaction**).

Completion of the Transaction is subject to a number of conditions, which includes **NAV shareholder approvals and re-compliance with Chapters 1 and 2 of the ASX Listing Rules**.

TRANSACTION SUMMARY

In consideration for 100% of the issued capital in First Pharma, NAV will issue 940,909,901 shares and cancel and reissue up to 112,250,000 options in NAV at completion of the Transaction (this excludes the new shares that will be issued by NAV under the capital raising, which will be conducted as part of the Transaction).

The parties will seek to finalise and execute long form documentation to affect the Transaction that will include Share Sale Agreements for the acquisition of 100% of the issued capital of First Pharma. As part of this process, the details of a capital raising to be undertaken by NAV by way of issue of new shares under a prospectus, will be finalised.

The Transaction is subject to a number of conditions precedent, including:

- Execution of formal documentation with all parties and all the shareholders of First Pharma;
- completion of due diligence by NAV and First Pharma;
- NAV obtaining all required shareholder approvals;
- the completion of a capital raising by NAV;
- successful re-compliance with Chapters 1 and 2 of the ASX Listing Rules;
- the re-admission of NAV to the official list of the ASX; and
- other conditions precedent typical of a transaction of this nature.

At present the Board of NAV has not appointed a broker to manage the public offer.



ABOUT FIRST PHARMA

First Pharma is an emerging Australian owned and managed OTC pharmaceutical company that provides valued products to consumers in Australia, New Zealand and Asia. First Pharma operates in a large and high growth market. The Australian OTC market alone is valued at over \$4.7 billion and has a 5 year compound annual growth rate of 13.0% per annum.

The First Pharma business model is to acquire and in-license both established brands and brands with untapped potential and then to apply further financial and human capital resources to grow them. First Pharma currently distributes established brands in pharmacy and has a number of products in the registration phase. In order to execute this business model successfully it requires an experienced and trusted management team.

First Pharma has a highly experienced executive team with extensive global experience in the pharmaceutical industry across Australia, New Zealand, and Asia. The team is led by Executive Chairman Andrew Howden who has over 35 years' experience in the pharmaceutical industry. Andrew was previously the CEO of iNova Pharmaceuticals and led the growth phase of the company to over \$200 million in revenue per annum prior to the sale of the business to Valeant Pharmaceuticals by Ironbridge Capital and Archer Capital in December 2011.

Justin Ooi is First Pharma's Chief Executive Officer. Justin has deep healthcare industry experience gained over 20 years in senior leadership roles across Sales & Marketing, Finance and M&A at AstraZeneca, predominantly in Australia but also in a regional capacity across Asian markets. Justin has held Board and Audit/Risk Committee seats in Australia and various Asian countries.

Troy Guthrie is a Founding Director of First Pharma and serves as Chief Operating Officer. Troy has in excess of 20 years' hands on experience in the pharmaceutical industry, including senior roles at Schering Plough, AstraZeneca, Mundipharma and Stiefel.

Collectively the management team has in excess of 75 years of experience in OTC and pharmaceutical sectors across Australian and Asian markets and has a successful track record of delivering growth in shareholder value.

www.firstpharma.com.au

NEXT STEPS

The parties will now enter into a formal due diligence period and begin drafting formal documentation. In addition, the board of NAV intends to apply for 'in principle' advice for ASX in relation to the Transaction. Further details of the Transaction (which includes details of First Pharma, key risks of the Transaction, capital raising and pro-forma NAV capital structure) will be disclosed to shareholders following execution of long form documentation and in the notice of meeting which will be dispatched to NAV shareholders as soon as practicable.

INDICATIVE TIMETABLE*

The parties have agreed to an exclusivity period of up to 5 months (or unless terminated earlier) on standard commercial terms.



The following is an indicative timetable for completion of the Transaction and NAV's re-compliance with the ASX Listing Rules.

Event	Date
Finalise Formal Documentation and Due Diligence inquiries	April/May 2017
Lodgement of NAV notice of shareholder meeting	May/June 2017
Lodgement of prospectus with ASIC and ASX	June/July 2017
Extraordinary general meeting of NAV shareholders	July 2017
Closing of offers under prospectus	August 2017
Completion of Transaction and issue of shares under the prospectus	August 2017
Re-compliance with Chapters 1 and 2 of the ASX Listing Rules	August 2017
Re-instatement of trading of securities of NAV	August 2017

*The timetable is indicative only and subject to change

In accordance with ASX's requirements for compliance with Chapter 11 of the ASX Listing Rules, NAV's securities will remain suspended until NAV has complied with Chapters 1 and 2 of the Listing Rules.

CONTACT FOR FURTHER INFORMATION

For further information, please contact Alistair McKeough.

Yours faithfully

A handwritten signature in dark ink, appearing to read 'A McKeough', written in a cursive style.

Alistair McKeough

Company Secretary