

NAVIGATOR RESOURCES LIMITED
ABN 82 063 366 487

INTERIM FINANCIAL REPORT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

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NAVIGATOR RESOURCES LIMITED

DIRECTORS' REPORT

The Directors of Navigator Resources Limited submit herewith the financial report for the half-year ended 31 December 2017. In order to comply with the provisions of the *Corporations Act 2001*, the Directors report as follows:

Names of Directors

The names of the Directors of Navigator Resources Limited who have held office during and since the end of the half year and up until the date of this report are:

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

The above named Directors held office for the entire period unless otherwise noted.

Review of Operations

The loss of the Company for the period after income tax expense was \$140,598 (2016: \$128,226).

During the period, the Company concluded that the Cummins Range Project was not feasible based on existing data and surrendered the tenement.

The Company announced the results of its geochemical exploration activities, which were completed on the Violet Gold Project. It was noted that 84 samples were taken, and two discrete mineralised trends were identified that warrant further investigation. The Company is currently processing plans to complete a detailed geological mapping to refine the understanding of the extent and controls of mineralisation. The tasks underway will assist with the quantification of the Project's economics and likelihood of economic development.

In addition to the acquisition of the Project, the Company is currently evaluating a number of other opportunities, which have the potential of delivering shareholder value.

Subsequent Events

On 27 March 2017, NAV had entered into a binding heads of agreement to acquire 100% of the issued capital of First Pharma Pty Limited, an Australian based OTC pharmaceutical business. However, on 31 January 2018, First Pharma Pty Ltd notified the Company that it was no longer proceeding with the transaction. The Company received a break fee of \$150,000 on 23 February 2018.

There have been no other matters or circumstances occurring subsequent to the financial period.

Auditor's Independence Declaration

The auditor's independence declaration is included on page 4 and forms part of the Directors' Report for the half-year ended 31 December 2017.

Signed in accordance with a resolution of directors made pursuant to s.306(3) of the *Corporations Act 2001*.

On behalf of the Directors



Greg Ruddock
Director

Sydney, 6 March 2018

**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 half-year ended 31 December 2017, there have been:

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

PKF Hacketts

PKF HACKETTS AUDIT



**Shaun Lindemann
Partner**

Brisbane, 6 March 2018

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

Report on the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Navigator Resources Limited (the company), which comprises the statement of financial position as at 31 December 2017, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Navigator Resources Limited is not in accordance with the Corporations Act 2001 including:-

- (a) giving a true and fair view of the company's financial position as at 31 December 2017, and of its financial performance for the half-year ended on that date; and
- (b) complying with the Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001. In accordance with the Corporations Act 2001, we have given the directors' of the company a written Auditor's Independence Declaration.

Directors' Responsibility for the Half-Year Financial Report

The directors' of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with the Australian Accounting Standards and the Corporations Regulations 2001 and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the company's financial position as at 31 December 2017 and its performance for the half year ended on that date, and complying with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of Navigator Resources Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



PKF HACKETTS AUDIT



SHAUN LINDEMANN
PARTNER

6 MARCH 2018
BRISBANE

**DIRECTORS DECLARATION
TO THE MEMBERS OF NAVIGATOR RESOURCES LIMITED**

Directors' Declaration

In the opinion of the Directors of Navigator Resources Limited ("the Company"):

1. the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001* including:
 - a. complying with Accounting Standard *AASB 134: Interim Financial Reporting*; and
 - b. giving a true and fair view of the Company's financial position as at 31 December 2017 and of its performance for the half-year then ended; and
2. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors made pursuant to s.303(5) of the *Corporations Act 2001*.

On behalf of the directors



Greg Ruddock
Director

Sydney, 6 March 2018

NAVIGATOR RESOURCES LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

	Note	31 Dec 2017 \$	31 Dec 2016 \$
Revenue from continuing operations			
Operating sales revenue		-	-
Other revenue	2a	1,803	3,473
		1,803	3,473
Expenses			
Exploration expenses		(11,568)	(11,733)
General and administration expenses	2b	(130,833)	(119,966)
Loss before income tax		(140,598)	(128,226)
Income tax expense		-	-
Profit/(Loss) for the period attributable to the owners of Navigator Resources Limited		(140,598)	(128,226)
Profit/(Loss) per share (EPS) attributable to the ordinary equity holders of the company (cents per share):			
Basic earnings / (loss) per share		(0.77)	(0.70)
Diluted earnings / (loss) per share		(0.77)	(0.70)

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

NAVIGATOR RESOURCES LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017 (continued)

	31 Dec 2017	31 Dec 2016
	\$	\$
Loss for the period attributable to the owners of Navigator Resources Limited	(140,598)	(128,226)
Other comprehensive income	-	-
Total comprehensive income/(loss) for the period attributable to the owners of Navigator Resources Limited	(140,598)	(128,226)

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 31 DECEMBER 2017

	31 Dec 2017	30 June 2017
	\$	\$
Current Assets		
Cash and cash equivalents	644,255	751,276
Trade and other receivables	15,418	15,980
Total current assets	659,673	767,256
Non-current assets		
Exploration and evaluation costs	27,118	27,118
Total non-current assets	27,118	27,118
Total assets	686,791	794,374
Current liabilities		
Trade and other payables	55,395	22,380
Total current liabilities	55,395	22,380
Non-current liabilities		
Provisions	-	-
Total non-current liabilities	-	-
Total liabilities	55,395	22,380
Net assets	631,396	771,994
Equity		
Issued capital	115,267,665	115,267,665
Accumulated losses	(114,636,269)	(114,495,671)
Total equity	631,396	771,994

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 HALF-YEAR ENDED 31 DECEMBER 2017

	Fully paid ordinary shares (Issued capital) \$	Accumulated losses \$	Total \$
Balance at 1 July 2016	115,259,952	(114,254,816)	1,005,136
Profit/(Loss) for the period	-	(128,226)	(128,226)
Other comprehensive income	-	-	-
Total comprehensive income/(loss) for the period	-	(128,226)	(128,226)
Issue of shares	-	-	-
Share issue costs	-	-	-
Balance at 31 December 2016	115,259,952	(114,383,042)	876,910
Balance at 1 July 2017	115,267,665	(114,495,671)	771,994
Profit/(Loss) for the period	-	(140,598)	(140,598)
Other comprehensive income	-	-	-
Total comprehensive income/(loss) for the period	-	(140,598)	(140,598)
Issue of shares	-	-	-
Share issue costs	-	-	-
Balance at 31 December 2017	115,267,665	(114,636,269)	631,396

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 HALF-YEAR ENDED 31 DECEMBER 2017

	31 Dec 2017 \$	31 Dec 2016 \$
Cash flows from operating activities		
Receipts from customers	-	-
Payments to suppliers and employees	(108,824)	(102,754)
Interest received	1,803	3,473
Net cash provided by / (used in) operating activities	(107,021)	(99,281)
Cash from investing activities		
Acquisition of tenement	-	(25,759)
Refund of guarantees / bonds	-	-
Net cash provided by / (used in) investing activities	-	(25,759)
Cash flows from financing activities		
Proceeds from borrowings	-	-
Repayment of borrowings	-	-
Net cash provided by / (used in) financing activities	-	-
Net decrease in cash and cash equivalents	(107,021)	(125,040)
Cash and cash equivalents at the beginning of the period	751,276	984,167
Cash and cash equivalents at the end of the period	644,255	859,127

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

NAVIGATOR RESOURCES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

1. Summary of Significant Accounting Policies

Statement of Compliance

Basis of Preparation

The half-year financial statements are general-purpose financial statements prepared in accordance with the requirements of the Corporations Act 2001 and AASB 134: Interim Financial Reporting.

The Company is a for-profit entity for financial reporting purposes under Australian Accounting Standards. The half-year financial report does not include full disclosures of the type normally included in an annual financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Company as in the full financial report.

It is recommended that this half-year financial report be read in conjunction with the annual financial report for the year ended 30 June 2017 and any public announcements made by Navigator Resources Limited during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001 and the ASX Listing Rules.

Accounting Policies

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the Company's annual financial report for the financial year ended 30 June 2017. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

Adoption of New and Revised Accounting Standards

In the half-year ended 31 December 2017, the directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Company's operations and effective for annual reporting periods beginning on or after 1 July 2017.

The Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on the Company and, therefore, no change is necessary to Company accounting policies.

The Directors have also reviewed all new Standards and Interpretations issued but are not yet effective for the half-year ended 31 December 2017. The Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on the Company and, therefore, no change is necessary to Company accounting policies.

Significant Accounting Judgements and Key Estimates

The preparation of the half-year financial report requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

In preparing this half-year financial report, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial report for the year ended 30 June 2017.

NAVIGATOR RESOURCES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

2. Revenue and expenses

Loss before income tax includes the following revenues, income and expenses whose disclosure is relevant in explaining the performance of the Company:

	31 Dec 2017	31 Dec 2016
	\$	\$
(a) Other revenue		
Interest income	1,803	3,473
	1,803	3,473
(b) General and administration expenses		
Company secretarial costs	24,000	24,058
Legal and professional fees	25,867	46,683
Due diligence costs	35,344	-
Costs associated with listing	28,198	37,992
Auditors fees	8,500	9,500
Others	8,924	1,733
	130,833	119,966

3. Segment information

Segment information for the year ended 30 June 2017 and half-year ended 31 December 2017 is not presented, as the Company is not yet in operation.

4. Contingent Liabilities

There has been no change in contingent liabilities since the last annual reporting date.

5. Subsequent Events

On 27 March 2017, NAV had entered into a binding heads of agreement to acquire 100% of the issued capital of First Pharma Pty Limited, an Australian based OTC pharmaceutical business. However, on 31 January 2018, First Pharma Pty Ltd notified the Company that it was no longer proceeding with the transaction. The Company received a break fee of \$150,000 on 23 February 2018.

There have been no other matters or circumstances occurring subsequent to the financial period.