

**NAVIGATOR RESOURCES LTD**  
**ABN 82 063 366 487**

**INTERIM FINANCIAL REPORT**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2014**

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## NAVIGATOR RESOURCES LTD DIRECTORS' REPORT

The Directors of Navigator Resources Limited submit herewith the financial report for the half-year ended 31 December 2014. 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 (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 above named Directors held office for the entire period unless otherwise noted.

### Review of Operations

The consolidated loss of the Group for the period after income tax expense was \$2,415,000 (2013: \$296,000).

The Group ceased operations since they entered 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. The DOCA proposed a recapitalization of the Company subject to certain terms. There have not been any changes to the Group operations since 30 June 2013. Refer further information in the notes to the financial statements, in particular Note 6 'Subsequent Events'.

### Subsequent Events

As reported in the financial statements, the group entered into voluntary administration on 28 March 2013. Since the end of the financial period, a number of events have occurred for the company.

Pursuant to a meeting of Creditors held by the Administrator on 11 August 2015, the Creditors agreed to a proposal presented by a syndicate headed by Auxano LLP and Otsana Capital for the restructure and recapitalisation of the Company.

Following approval by the Creditors, a varied deed of company arrangement (**DOCA**) was entered into by the Company on 8 September 2015 where the Administrator was appointed Deed Administrator in order to effectuate the terms of the Proposal.

An extraordinary general meeting of shareholders was held on 21 January 2016 and in that meeting the following relevant resolutions were passed as summarised below:

- Appointment of a new Board of Directors (as outlined in the Directors Report), including the approval for share and option issues to the new Directors;
- Effectuation of the DOCA due to the syndicate lending the Company \$615,000 to make payments required under the terms of the DOCA, thereby allowing the Company to be removed from external administration;
- Authorisation for the issue of shares and options to Auxano and Otsana (or its nominees) to raise up to \$500,250;
- Authorisation for the issue of shares to general investors to raise up to \$1,500,000;
- Authorisation for the issue of 50,000,000 management options to proposed Directors, key management and advisors of the Company;
- Approval for repeal and adoption of a revised constitution

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

Further details on the above resolutions are included in the explanatory memorandum included in the Notice of Meeting circulated to shareholders, and as announced on the Australian Stock Exchange.

Other than the above, there has not been any matter or circumstances occurring subsequent to the financial period end that has significantly altered, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial periods.

**Rounding of Amounts**

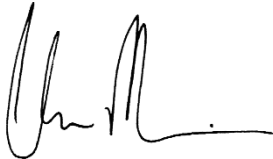
The Company has applied the relief available to it in ASIC Class Order 98/100, and accordingly certain amounts in the interim financial report and the Directors' report have been rounded off to the nearest \$1,000, unless otherwise indicated.

**Auditor's Independence Declaration**

The auditor's independence declaration is included on page 5 and forms part of the Directors' Report for the half-year ended 31 December 2014.

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

On behalf of the Directors

A handwritten signature in black ink, appearing to be 'Glen Dobbie', with a horizontal line extending to the right.

Glen Dobbie  
Managing Director

Sydney, 12 February 2016

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

As lead auditor for the review of the financial report of Navigator Resources Limited for the half-year ended 31 December 2014, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- a) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) any applicable code of professional conduct in relation to the review.

**PKF Hacketts Audit**



**Shaun Lindemann**  
**Partner**

Brisbane, 12 February 2016

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

**Report on the Half-Year Financial Report**

We have reviewed the accompanying half-year financial report of Navigator Resources Limited ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 31 December 2014, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, condensed notes comprising a summary of significant accounting policies and other explanatory information, and the Directors' 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 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 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 Group's financial position as at 31 December 2014 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Navigator Resources Limited and its controlled entities, 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.

*Independence*

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

*Conclusion*

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 and its controlled entities is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Group's financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

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

*Emphasis of Matter*

Without qualification to the conclusion expressed above, we draw attention to Note 1 'Going Concern' in the financial report which indicates that the Group recorded a net loss for the period ended 31 December 2014 of \$2,415,000 (2013: \$296,000). Further, after the Group entered into voluntary administration on 28 March 2013 a Deed of Company Arrangement ('DOCA') was subsequently executed. These conditions, along with other matters as set forth in Note 1 'Going Concern' to the financial report, indicate the existence of material uncertainties which cast significant doubt about the Group's ability to continue as a going concern.

*PKF Hacketts*

**PKF Hacketts Audit**  
Brisbane, 12 February 2016



**Shaun Lindemann**  
**Partner**

**DIRECTOR'S DECLARATION  
TO THE MEMBERS OF NAVIGATOR RESOURCES LIMITED**

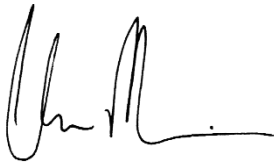
**Directors' Declaration**

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*, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
  - b. giving a true and fair view of the Group's financial position as at 31 December 2014 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



Glen Dobbie  
Managing Director

Sydney, 12 February 2016

**NAVIGATOR RESOURCES LTD**  
**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2014**

	Note	31 Dec 2014 \$000	31 Dec 2013 \$000
<b>Revenue from continuing operations</b>			
Operating sales revenue		-	-
Other revenue	2a	37	303
		<b>37</b>	<b>303</b>
<b>Expenses</b>			
Exploration expenses		(342)	-
General and administration expenses	2b	(722)	(803)
Impairment expense		(19)	-
<b>Loss before income tax</b>		<b>(1,046)</b>	<b>(500)</b>
Income tax expense		-	-
<b>Loss from continuing operations</b>		<b>(1,046)</b>	<b>(500)</b>
Profit / (loss) from discontinued operations	3	(1,369)	204
<b>Loss for the period attributable to the owners of Navigator Resources Ltd</b>		<b>(2,415)</b>	<b>(296)</b>
<b>Earnings per share (EPS) for profit / (loss) from continuing operations attributable to the ordinary equity holders of the company (\$ per share):</b>			
Basic earnings / (loss) per share		(0.06)	(0.03)
Diluted earnings / (loss) per share		(0.06)	(0.03)
<b>Earnings per share (EPS) for profit / (loss) attributable to the ordinary equity holders of the company (\$ per share):</b>			
Basic earnings / (loss) per share		(0.13)	(0.02)
Diluted earnings / (loss) per share		(0.13)	(0.02)

The accompanying notes form part of these consolidated financial statements and should be read in conjunction with the accompanying notes, particularly Note 1 'Going Concern' and Note 6 'Subsequent Events'.

**NAVIGATOR RESOURCES LTD**  
**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2014 (continued)**

	Note	31 Dec 2014 \$000	31 Dec 2013 \$000
<b>Loss for the period attributable to the owners of Navigator Resources Ltd</b>		<b>(2,415)</b>	<b>(296)</b>
Other comprehensive income		-	-
<b>Total comprehensive loss for the period attributable to the owners of Navigator Resources Ltd</b>		<b>(2,415)</b>	<b>(296)</b>
Total comprehensive loss for the period attributable to the owners of Navigator Resources Ltd:			
Continuing operations		(1,046)	(500)
Discontinued operations		(1,369)	204
		<b>(2,415)</b>	<b>(296)</b>

The accompanying notes form part of these consolidated financial statements and should be read in conjunction with the accompanying notes, particularly Note 1 'Going Concern' and Note 6 'Subsequent Events'.

**NAVIGATOR RESOURCES LTD**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2014**

	31 Dec 2014 \$000	30 June 2014 \$000
<b>Current Assets</b>		
Cash and cash equivalents	95	2,294
Trade and other receivables	98	8,490
	<b>194</b>	<b>10,784</b>
Assets classified as held for sale	-	3,218
<b>Total current assets</b>	<b>194</b>	<b>14,002</b>
<b>Non-current assets</b>		
Other financial assets	62	62
<b>Total non-current assets</b>	<b>62</b>	<b>62</b>
<b>Total assets</b>	<b>256</b>	<b>14,064</b>
<b>Current liabilities</b>		
Trade and other payables	988	4,049
Borrowings	18,647	26,725
	<b>19,635</b>	<b>30,774</b>
Liabilities directly associated with assets classified as held for sale	-	254
<b>Total current liabilities</b>	<b>19,635</b>	<b>31,028</b>
<b>Non-current liabilities</b>		
Provisions	9	9
<b>Total non-current liabilities</b>	<b>9</b>	<b>9</b>
<b>Total liabilities</b>	<b>19,644</b>	<b>31,037</b>
<b>Net assets (liabilities)</b>	<b>(19,388)</b>	<b>(16,973)</b>
<b>Equity</b>		
Issued capital	113,409	113,409
Accumulated losses	(132,797)	(130,382)
<b>Total equity</b>	<b>(19,388)</b>	<b>(16,973)</b>

The accompanying notes form part of these consolidated financial statements and should be read in conjunction with the accompanying notes, particularly Note 1 'Going Concern' and Note 6 'Subsequent Events'.

**NAVIGATOR RESOURCES LTD**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2014**

	Fully paid ordinary shares (Issued capital) \$'000	Accumulated losses \$'000	Total \$'000
<b>Balance at 1 July 2013</b>	113,409	(120,824)	(7,415)
Loss for the period	-	(296)	(296)
Other comprehensive income	-	-	-
<b>Total comprehensive income for the period</b>	-	(296)	(296)
Issue of shares	-	-	-
Share issue costs	-	-	-
<b>Balance at 31 December 2013</b>	<b>113,409</b>	<b>(121,120)</b>	<b>(7,711)</b>
<b>Balance at 1 July 2014</b>	<b>113,409</b>	<b>(130,382)</b>	<b>(16,973)</b>
Loss for the period	-	(2,415)	(2,415)
Other comprehensive income	-	-	-
<b>Total comprehensive income for the period</b>	-	(2,415)	(2,415)
Issue of shares	-	-	-
Share issue costs	-	-	-
<b>Balance at 31 December 2014</b>	<b>113,409</b>	<b>(132,797)</b>	<b>(19,388)</b>

The accompanying notes form part of these consolidated financial statements and should be read in conjunction with the accompanying notes, particularly Note 1 'Going Concern' and Note 6 'Subsequent Events'.

**NAVIGATOR RESOURCES LTD**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2014**

	Note	31 Dec 2014 \$000	31 Dec 2013 \$000
<b>Cash flows from operating activities</b>			
Receipts from customers		382	751
Payments to suppliers and employees		(4,500)	(3,112)
Interest received		37	101
Net cash used in operating activities		<b>(4,081)</b>	<b>(2,260)</b>
<b>Cash from investing activities</b>			
Proceeds from sale of Navigator Mining Pty Ltd		1,882	-
Payments for exploration and evaluation expenditure		-	(128)
Refund / (Payments) for guarantees / bonds		-	250
Net cash provided by investing activities		<b>1,882</b>	<b>122</b>
<b>Cash flows from financing activities</b>			
Proceeds from borrowings		-	2,099
Repayment of borrowings		-	(1,416)
Net cash provided by financing activities		<b>-</b>	<b>683</b>
Net decrease in cash and cash equivalents		(2,199)	(1,455)
<b>Cash and cash equivalents at the beginning of the period</b>		2,295	1,568
<b>Cash and cash equivalents at the end of the period</b>	7	<b>95</b>	<b>113</b>

The accompanying notes form part of these consolidated financial statements and should be read in conjunction with the accompanying notes, particularly Note 1 'Going Concern' and Note 6 'Subsequent Events'.

**NAVIGATOR RESOURCES LTD**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2014**

**1. Statement of Significant Accounting Policies**

**Statement of Compliance**

The half-year consolidated financial statements are general purpose financial statements prepared in accordance with the requirements of the Corporations Act 2001, applicable accounting standards including AASB 134: Interim Financial Reporting, Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board (AASB). Compliance with AASB 134 ensures compliance with IAS 34: Interim Financial Reporting.

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 Group 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 2014 and any public announcements made by Navigator Resources Limited and its subsidiaries during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001 and the ASX Listing Rules.

**Basis of Preparation**

The half-year financial report has been prepared on the basis of historical cost. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

For the purpose of preparing the half-year financial report, the half-year has been treated as a discrete reporting period.

The company is of a kind referred to in ASIC Class Order 98/100, and accordingly, amounts in the directors' report and the interim financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

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 2014.

**Going Concern**

The Group had a net loss for the period ending 31 December 2014 of \$2,415,000 (2013: \$296,000) and cash outflows from operating activities of \$4,081,000 (2013: \$2,260,000).

On 28 March 2013, the Company entered into a voluntary administration and Pitcher Partners, Perth were the appointed Administrators. On 31 May 2013, the Company and its Subsidiaries entered into a Deed of Company Arrangement ('DOCA'). During the period of administration, the company's first ranking secured creditor, Waterton Global Value LP, undertook to provide the necessary financial support to preserve the value of the group's assets, being the tenements and assets of Bronzewing and Mining (Leonora Gold Project).

Subsequent to period end, there were various DOCA variations with various potential outcomes for the creditors of the Group as set out in Note 6 'Subsequent Events'. As a result of this, there have been significant impacts on the business, as also disclosed in Note 6 'Subsequent Events'.

**NAVIGATOR RESOURCES LTD**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2014**

Notwithstanding that uncertainties exist related to events and conditions that impact on the Company's ability to continue as a going concern, it is the intention of the Board of Directors and management to continue to operate the Company as a going concern. Uncertainty related to the Company's ability to continue as a going concern mainly arises from the ability of the Company to complete successfully a recapitalization proposal made by Otsana Pty Ltd and Auxano LLP Pty Ltd after effectuation of the DOCA. Under the DOCA, the Company would sell its subsidiaries, Navigator Mining Pty Ltd and Navigator Bronzewing Pty Ltd, and the sales proceeds would be used to pay the creditor's trust of the Company and its subsidiaries.

As a result, the Company is dependent upon the successful recapitalization of the Company as outlined in the 'Subsequent Events', in order to remain a going concern:

Should the Company not be successful in achieving the above initiative, there exists a material uncertainty that may cast significant doubt on the ability of the Company to continue as a going concern.

**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 Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report for the year ended 30 June 2014.

**Adoption of New and Revised Accounting Standards**

In the half-year ended 31 December 2014, the directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Group's operations and effective for annual reporting periods beginning on or after 1 July 2014.

It has been determined by the directors that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on the Group and, therefore, no change is necessary to Group accounting policies.

The directors have also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the half-year ended 31 December 2014. The Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on the Group and, therefore, no change is necessary to Group accounting policies.

**2. Revenue and expenses**

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

	Consolidated	
	31 Dec 2014	31 Dec 2013
	\$000	\$000
<b>(a) Other revenue</b>		
Interest income	37	96
Others	-	207
	<b>37</b>	<b>303</b>
<b>(b) General and administration expenses</b>		
Salary and wages	50	258
Rent expenses	-	106
Remuneration of administrators	217	175
Legal and professional fees	353	66
Others	102	198
	<b>722</b>	<b>803</b>

**NAVIGATOR RESOURCES LTD**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2014**

**3. 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. Navigator Bronzewing was sold on 27 June 2014, whilst Navigator Mining Pty Ltd (Mining) (Bronzewing) was sold on 3 November 2014. Financial information relating to the discontinued operations for the period is set out below.

**b. Financial Performance Information**

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

	31-Dec-14		
	Mining \$'000	Bronzewing \$'000	Total \$'000
Revenue	69	-	69
Expenses	(156)	-	(156)
Loss before income tax	(87)	-	(87)
Income tax benefit	-	-	-
Total loss after tax attributable to the discontinued operation	(87)	-	(87)
Loss on sale of Navigator Mining	(1,282)	-	(1,282)
Total loss after tax attributable to the discontinued operation	(1,369)	-	(1,369)

	31-Dec-13		
	Mining \$'000	Bronzewing \$'000	Total \$'000
Revenue	-	2,921	2,921
Expenses	(1,097)	(1,620)	(2,717)
Profit/(loss) before income tax	(1,097)	1,301	204
Income tax expense	-	-	-
Total profit/(loss) after tax attributable to the discontinued operation	(1,097)	1,301	204

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

	\$'000
<b>Sales consideration:</b>	
Cash	2,082
<b>Net assets disposed</b>	
Cash	16
Trade and other receivables	158
Property, plant & equipment	150
Exploration tenements	2,934
Environmental bonds	161
Provision for rehabilitation	(55)
<b>Net assets disposed</b>	<b>3,364</b>
Loss on sale	(1,282)

**NAVIGATOR RESOURCES LTD**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2014**

**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:

	31-Dec-14		
	Mining \$'000	Bronzewing \$'000	Total \$'000
Net cash outflow from operating activities	(472)	-	(472)
Net cash inflow/(outflow) from investing activities	-	-	-
Net cash inflow from financing activities	487	-	487
Net increase in cash generated by the discontinued operations	15	-	15

	31-Dec-13		
	Mining \$'000	Bronzewing \$'000	Total \$'000
Net cash outflow from operating activities	(958)	(878)	(1,836)
Net cash outflow from investing activities	(128)	-	(128)
Net cash inflow/(outflow) from financing activities	1,097	(618)	479
Net increase/(decrease) in cash generated by the discontinued operations	11	(1,496)	(1,485)

**4. Segment information**

Segment information for the year ended 30 June 2014 and 31 December 2014 have not been presented as the group entered into voluntary administration on 28 March 2013 and was currently subject to a DOCA with all operating assets and liabilities classified as 'available for sale'.

**5. Contingent Liabilities**

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

**6. Subsequent Events**

As reported in the financial statements, the group entered into voluntary administration on 28 March 2013. Since the end of the financial period, a number of events have occurred for the company:

Pursuant to a meeting of Creditors held by the Administrator on 11 August 2015, the Creditors agreed to a proposal presented by a syndicate headed by Auxano LLP and Otsana Capital for the restructure and recapitalisation of the Company.

Following approval by the Creditors, a varied deed of company arrangement (**DOCA**) was entered into by the Company on 8 September 2015 where the Administrator was appointed Deed Administrator in order to effectuate the terms of the Proposal.

An extraordinary general meeting of shareholders was held on 21 January 2016 and in that meeting the following relevant resolutions were passed as summarised below:

- Appointment of a new Board of Directors (as outlined in the Directors Report), including the approval for share and option issues to the new Directors;
- Effectuation of the DOCA due to the syndicate lending the Company \$615,000 to make payments required under the terms of the DOCA, thereby allowing the Company to be removed from external administration;
- Authorisation for the issue of shares and options to Auxano and Otsana (or its nominees) to raise up to \$500,250;

**NAVIGATOR RESOURCES LTD**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2014**

- Authorisation for the issue of shares to general investors to raise up to \$1,500,000;
- Authorisation for the issue of 50,000,000 management options to proposed Directors, key management and advisors of the Company;
- Approval for repeal and adoption of a revised constitution

Further details on the above resolutions are included in the explanatory memorandum included in the Notice of Meeting circulated to shareholders, and as announced on the Australian Stock Exchange.

Other than the above, there has not been any matter or circumstances occurring subsequent to the financial period end that has significantly altered, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial periods.

**Note 7: Notes to the Statement of Cash Flows**

**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:

	Consolidated	
	2014	2013
	\$'000	\$'000
Cash and cash at bank	95	6
Cash and cash at bank included in 'Assets Classified as Held for Sale'	-	107
	<b>95</b>	<b>113</b>