

NAVIGATOR RESOURCES LTD
ABN 82 063 366 487

FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2015

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NAVIGATOR RESOURCES LTD DIRECTORS' REPORT

The Directors of Navigator Resources Ltd submit herewith the Financial Report of the Consolidated Entity for the financial year ended 30 June 2015. 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 are:

Mr Greg Ruddock, Non-Executive Chairman (appointed 12 February 2016)

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.

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.

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.

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.

Greg qualified as an accountant and holds a Bachelor of Commerce degree from the University of Western Australia.

Mr Glen Dobbie, Managing Director (appointed 12 February 2016)

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 & Co, where he was primarily responsible for the investment operations of the ASX listed, Arowana International Limited. During his 8 years at Arowana & 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.

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.

Glen holds a 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. Glen also has a Graduate Diploma of Chartered Accounting from ICAA and is a certified Gazelles business coach.

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

Mr Joshua McKean, Non-Executive Director (appointed 12 February 2016)

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.

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.

Josh holds a Bachelor of Commerce degree with Honours (First Class) from the University of Melbourne.

Mr Malcolm Keefe, Non-Executive Director (appointed 12 February 2016)

Malcolm has over 30 years of general management experience in a variety of businesses including education, information technology, print, and office products.

Malcolm is a partner of Auxano LLP. Prior to this role, Malcolm served as the Non-Executive Independent Chairman and Director of Arowana International Limited from November 2011 to March 2015.

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.

Malcolm has a B.Sc. (Hons) from University of London.

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

Company Secretary

Padraig Gore O'Donoghue (*appointed 13 August 2012, resigned on 28 March 2013*)

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.

Directors' Shareholdings

The Directors have no interest in shares and options of the Company as at the date of this report.

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.

Remuneration of Directors and Senior Management

Information about the remuneration of Directors and senior management is set out in the Remuneration Report on page 8-9 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 (2014: nil).

Principal Activities

The Group's principal activities during the course of the financial year up until the date of entering voluntary administration were the production of gold and exploration for precious and base metals in Western Australia.

Review of Operations

The consolidated loss of the Group for the financial year after income tax expense was \$2,525,507 (2014: \$9,557,078).

The Group ceased operations since they entered into voluntary administration on 28 March 2013. Refer further information below in the 'Changes in State of Affairs', 'Subsequent Events', 'Likely Developments and Expected Results' below.

Changes in State of Affairs

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. Further details are outlined below.

NAVIGATOR RESOURCES LTD DIRECTORS' REPORT (continued)

Subsequent Events

The group entered into voluntary administration on 28 March 2013. Since the end of the financial year, a number of events have occurred for the company and its subsidiaries:

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

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.

Likely Developments and Expected Results

The Company has recently effectuated its DOCA which proposes a recapitalisation of the Company subject to certain terms, as outlined in the 'Subsequent Events' above.

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.

Share Options

Shares Under Option or Issued on Exercise of Options

There are no unissued shares or interests under option as at the date of this report.

Shares Issued on the Exercise of Options

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

NAVIGATOR RESOURCES LTD DIRECTORS' REPORT (continued)

Share Options that Expired/Lapsed

Since the Company entered into a voluntary administration on 28 March 2013, all the outstanding options at balance date 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

No statutory information was available for the number of meetings attended by each Director (whilst they were a Director or committee member) held during the financial year.

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.

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

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 2015:

<i>Non-audit services</i>	30 June 2015 \$	30 June 2014 \$
Assistance in the preparation of financial statements	2,500	2,500

Auditor's Independence Declaration

The auditor's independence declaration is included on page 10 of the Annual Report.

Remuneration Report

This Remuneration Report, which forms part of the Directors' Report, sets out information about the remuneration of Navigator Resources Ltd's key management personnel for the financial year ended 30 June 2015. As noted above, the Company entered into voluntary administration on 28 March 2013, accordingly this report includes information available to the current directors up until the point control was handed to external administrators. Disclosures required under AASB 124 Related Party Disclosures have been transferred from the Financial Report and have been audited. The additional disclosures required by the Corporations Act 2001 and the Corporations Regulations 2001 have not been audited.

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 <insert date DOCA>, the key management personnel were the administrators (Pitcher Partners, WA).

Remuneration Policy and Relationship between the Remuneration Policy and Company Performance

There was no remuneration policy in place during the year as the Company was controlled by external administrator (Pitcher Partners, Perth).

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.

Remuneration of Key Management Personnel

As outlined above, the group entered in voluntary administration on 28 March 2013. Accordingly the key management personnel for the year were the appointed Administrator.

The remuneration paid to the Administrators (Pitcher Partners, WA) for the year ended 30 June 2015 and 2014 were 245,801 and 426,137, respectively.

NAVIGATOR RESOURCES LTD
DIRECTORS' REPORT (continued)

Option Plans in Existence During the Financial Year

During the financial year the following share-based payment arrangements for key management personnel were in existence:

Options series	Grant date	Expiry date	Fair value per option at grant date		Vesting date
			\$		
6934	24 February 2011	24 February 2014	0.1333		Various
6945	20 October 2008	21 July 2013	0.0817		21 July 2010
6956	24 February 2011	24 February 2014	0.1064		24 February 2011
6857	24 February 2011	2 June 2014	0.1106		2 June 2011
6961	30 July 2009	25 May 2014	0.1348		25 May 2011
6962	30 July 2009	25 May 2015	0.1378		25 May 2012

Since the Company entered into voluntary administration on 28 March 2013, all the outstanding options at balance date were deemed to be lapsed.

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

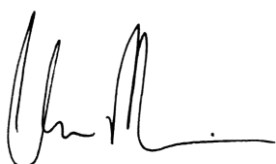
There were no share-based payment compensation made to key management personnel during the current financial year.

Key Terms of Employment Contracts

The Key Terms of Employment Contracts are deemed irrelevant for disclosure due to the Group entering into voluntary administration on 28 March 2013, at which point control of the Group reverted to the Administrators as outlined above.

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, 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 audit of the financial report of Navigator Resources Limited for the year ended 30 June 2015, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (a) the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit, and
- (b) any applicable code of professional conduct in relation to the audit.

PKF Hacketts Audit



**Shaun Lindemann
Partner**

Brisbane, 12 February 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") and its Controlled Entities ("the Group") which comprises the consolidated statement of financial position as at 30 June 2015, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated 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 group comprising the Company and the entity it controlled at the year's end or from time to time during the financial year.

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 Group's financial position as at 30 June 2015 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.

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

Emphasis of Matter

Without qualification to the opinion 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 30 June 2015 of \$2,525,507 (2014: \$9,557,078). 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.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 8 to 9 of the Directors' Report for the year ended 30 June 2015. 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.

Emphasis of Matters

Without qualification to the opinion expressed above, the Group entered into voluntary administration on 28 March 2013 and since then control over the Company was held by the appointed administrator subject to a DOCA. The key management personnel for the year ended 30 June 2015 were determined to be the Administrators.



PKF Hacketts Audit
Brisbane, 12 February 2016



Shaun Lindemann
Partner

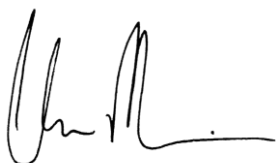
NAVIGATOR RESOURCES LTD AND ITS CONTROLLED ENTITIES

DIRECTORS' DECLARATION

1. In the opinion of the Directors of Navigator Resources Ltd:
 - (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 Group's financial position as at 30 June 2015 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 2015.

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

On behalf of the Directors

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

Glen Dobbie
Managing Director

Sydney, 12 February 2016

NAVIGATOR RESOURCES LTD
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2015

	Note	2015 \$	2014 \$
Revenue from continuing operations			
Operating sales revenue		-	-
Other revenue	3a	38,155	127,096
		38,155	127,096
Expenses			
Exploration expenses		(396,297)	(16,653)
General and administration expenses	3b	(779,507)	(1,597,608)
Impairment of assets		(19,246)	-
Finance cost		-	(70,000)
Loss before income tax		(1,156,895)	(1,557,165)
Income tax expense	4	-	-
Loss from continuing operations		(1,156,895)	(1,557,165)
Loss from discontinued operations	25b	(1,368,612)	(7,999,913)
Loss for the year attributable to the owners of Navigator Resources Ltd		(2,525,507)	(9,557,078)
Earnings per share (EPS) for profit / (loss) from continuing operations attributable to the ordinary equity holders of the company:			
Basic earnings / (loss) per share	13	(0.06)	(0.09)
Diluted earnings / (loss) per share	13	(0.06)	(0.09)
Earnings per share (EPS) for profit / (loss) attributable to the ordinary equity holders of the company:			
Basic earnings / (loss) per share	13	(0.14)	(0.52)
Diluted earnings / (loss) per share	13	(0.14)	(0.52)

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 24 'Subsequent Events'.

NAVIGATOR RESOURCES LTD
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2015 (continued)

	2015	2014
	\$	\$
Profit / (loss) for the year attributable to the owners of Navigator Resources Ltd	(2,525,507)	(9,557,078)
Other comprehensive income	-	-
Total comprehensive income / (loss) for the year attributable to the owners of Navigator Resources Ltd	(2,525,507)	(9,557,078)
Total comprehensive income / (loss) for the year attributable to the owners of Navigator Resources Ltd arises from:		
Continuing operations	(1,156,895)	(1,557,165)
Discontinued operations	(1,368,612)	(7,999,913)
	(2,525,507)	(9,557,078)

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 24 'Subsequent Events'.

NAVIGATOR RESOURCES LTD
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2015

	Note	2015 \$	2014 \$
CURRENT ASSETS			
Cash and cash equivalents	5	191,485	2,294,071
Trade and other receivables	6	16,924	8,489,856
		208,409	10,783,927
Assets classified as held for sale		-	3,218,096
TOTAL CURRENT ASSETS		208,409	14,002,023
NON-CURRENT ASSETS			
Property, plant & equipment	7	-	-
Other financial assets	8	62,429	62,429
TOTAL NON-CURRENT ASSETS		62,429	62,429
TOTAL ASSETS		270,838	14,064,452
CURRENT LIABILITIES			
Trade and other payables	9	1,116,878	4,052,827
Borrowings	10	18,646,880	26,724,780
		19,763,758	30,777,607
Liabilities directly associated with assets classified as held for sale		-	254,259
TOTAL CURRENT LIABILITIES		19,763,758	31,031,866
NON-CURRENT LIABILITIES			
Provisions	11	9,162	9,162
TOTAL NON-CURRENT LIABILITIES		9,162	9,162
TOTAL LIABILITIES		19,772,920	31,041,028
NET ASSETS (LIABILITIES)		(19,502,082)	(16,976,576)
EQUITY			
Issued capital	12	113,409,487	113,409,487
Accumulated losses		(132,911,569)	(130,186,063)
TOTAL EQUITY		(19,502,082)	(16,976,576)

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 24 'Subsequent Events'.

NAVIGATOR RESOURCES LTD
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2015

	Fully paid ordinary shares (issued capital) \$	Option Reserve \$	Accumulated losses \$	Total \$
Balance at 1 July 2013	113,409,487	-	(120,828,985)	(7,419,498)
Loss for the period	-	-	(9,557,078)	(9,557,078)
Total comprehensive income	-	-	(9,557,078)	(9,557,078)
Issue of shares	-	-	-	-
Share issue costs	-	-	-	-
Balance at 30 June 2014	113,409,487	-	(130,386,063)	(16,976,576)
Balance at 1 July 2014	113,409,487	-	(130,386,063)	(16,976,576)
Loss for the period	-	-	(2,525,507)	(2,525,507)
Total comprehensive income	-	-	(2,525,507)	(2,525,507)
Issue of shares	-	-	-	-
Share issue costs	-	-	-	-
Balance at 30 June 2015	113,409,487	-	(132,911,569)	(19,502,082)

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 24 'Subsequent Events'.

NAVIGATOR RESOURCES LTD
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2015

	Note	2015 \$	2014 \$
Cash Flows from Operating Activities			
Receipts from customers		447,532	834,276
Payments to suppliers and employees		(4,452,281)	(5,711,097)
Interest received		38,185	103,950
Interest and other costs of finance paid		-	(70,000)
Net cash provided by / (used in) operating activities	19b	(3,966,564)	(4,842,871)
Cash Flows from Investing Activities			
Proceeds from sale of discontinued operations		1,882,311	3,500,000
Payments for mining and development property		-	(2,621,087)
Payments for environmental deposits		-	29,000
Proceeds from sale of investment		-	220,652
Payment for exploration, evaluation and development tenements		3	(127,900)
Net cash used in investing activities		1,882,314	1,000,665
Cash Flows from Financing Activities			
Proceeds from borrowings		487,085	4,568,024
Repayments of borrowings		(506,330)	-
Net cash provided by financing activities		(19,246)	4,568,024
Net increase/(decrease) in cash and cash equivalents		(2,103,496)	725,818
Cash and cash equivalents at the beginning of the financial year		2,294,981	1,568,253
Cash and cash equivalents at the end of the financial year	19a	191,485	2,294,071

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 24 'Subsequent Events'.

NAVIGATOR RESOURCES LTD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

Navigator Resources Limited (the Company) is a public company listed on the Australian Securities Exchange (trading under the symbol "NAV"), incorporated in Australia and operating in Australia. The company's ordinary shares were publicly traded on the Australian Securities Exchange, however the shares of the company have been suspended from trading since entering voluntary administration and at the date of this report.

The entity's principal activities are in the production, exploration and evaluation of mineral resources in Australia. Refer to Note 24 'Subsequent Events' for an update on these activities after the company entered into voluntary administration on 28 March 2013.

Navigator Resources Ltd's registered office and its principal place of business at balance date were as follows:

Registered office

Pitcher Partners
Level 1, 914 Hay Street
Perth WA Australia 6000

Principal place of business

Ground Floor
45 Richardson Street
West Perth WA Australia 6005

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 Accounting Standards and Interpretations and complies with other requirements of the law. The financial report covers the consolidated financial statements of the Group. The financial report complies with Accounting Standards which include Australian equivalents to International Financial Reporting Standards ("AIFRS"). Compliance with AIFRS ensures that the financial statements and notes of the Group comply with International Financial Reporting Standards ("IFRS").

The financial statements were authorised for issue by the Directors on 12 February 2016.

The financial report has been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. 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.

Going Concern

The Group had a net loss for the year ending 30 June 2015 of \$2,525,207 (2014: \$9,557,078) and cash outflows from operating activities of \$3,966,564 (2014: \$4,842,871)

On 28 March 2013, the Company entered into 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).

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Subsequent to year end, there were various DOCA variations with various potential outcomes for the creditors of the Group as set out in Note 24. As a result of this, there have been significant impacts on the business, as also disclosed in Note 24.

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.

Critical Accounting Judgements and Key Sources of Estimation Uncertainty

In the application of the Group's accounting policies, management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experiences and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to the accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects the current and future periods.

Refer to Note 2 for a discussion of critical judgements and assumptions in applying the entity's accounting policies and key sources of estimation uncertainty.

Adoption of New and Revised Accounting Standards

During the year to 30 June 2015, the Group 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 Group 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 Group accounting policies.

The Group has also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the year ended 30 June 2015. 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 Group accounting policies. It is worth noting the company has been either in external administration or subject to a DOCA subsequent to 28 March 2013.

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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, the presented statement of financial position as at 30 June 2015 represents that of the parent entity (Navigator Resources Ltd) only.

The financial statements of the subsidiaries are prepared for the same reporting period as the parent entity, using consistent accounting policies. In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profit and losses resulting from intra-group transactions have been eliminated in full.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group. Control exists where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing when the Group controls another entity.

Unrealised gains or transactions between the Group and its associates are eliminated to the extent of the Group's interests in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

When the Group ceases to have control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint controlled entity or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

(b) Operating Cycle

The operating cycle of the entity coincides with the annual reporting cycle.

(c) Presentation Currency

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

(d) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group 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.

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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.

(e) 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.

(f) Receivables

Trade and other receivables are recorded at amounts due less any allowance for doubtful debts.

(g) Inventories

Inventories are valued at the lower of cost and net realisable value. Costs incurred in bringing each product to its present location and conditions are accounted for as follows:

- Raw materials – purchase cost on an average price basis; and
- Finished goods and work-in-progress (including gold in circuit, ore stockpiles and bullion at refinery) – cost of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity but excluding borrowing costs.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

(h) Financial Assets

Financial assets in the scope of AASB 139 *Financial Instruments: Recognition and Measurement* are classified as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale investments, as appropriate. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs. The Group determines the classification of its financial assets after the initial recognition and, when allowed and appropriate, re-evaluates this designation at each financial year-end. All regular way purchases and sales of financial assets are recognised on the trade date, ie. the date that the Group commits to purchase the asset. Regular way purchases or sales of financial assets under contracts that require delivery of the assets within the period established generally by regulation or convention in the marketplace.

Financial Assets at Fair Value Through Profit or Loss

Financial assets classified as held for trading are included in the category 'financial assets at fair value through profit or loss'. Financial assets are classified as held for trading in they are acquired for the purpose of selling in the near term. Derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on investments held for trading are recognised in profit or loss.

Held-to-Maturity Investments

Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Group has the positive intention and ability to hold to maturity. Investments intended to be held for an undefined period are not included in this classification. Investments that are intended to be held-to-maturity, such as bonds, are subsequently measured at amortised cost. This cost is computed as the amount initially recognised minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initially recognised amount and the maturity amount.

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This calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums and discounts. For investments carried at amortised cost, gains and losses are recognised in profit or loss when the investments are derecognised or impaired, as well as through the amortisation process.

This calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums and discounts. For investments carried at amortised cost, gains and losses are recognised in profit or loss when the investments are derecognised or impaired, as well as through the amortisation process.

If the Group were to sell other than an insignificant amount of held-to-maturity financial assets, the whole category would be tainted and reclassified as available-for-sale.

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

Available-for-Sale Investments

Available-for-sale investments are those non-derivative financial assets that are designated as available-for-sale or are not classified as any of the three (3) preceding categories. After initial recognition available-for-sale investments are measured at fair value with gains or losses being recognised as a separate component of equity until the investment is derecognised or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is recognised in profit or loss.

The fair value of investments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business on the balance date. For investments with no active market, fair value is determined using valuation techniques. Such techniques include using recent arm's length market transactions, reference to the current market value of another instrument that is substantially the same, discounted cash flow analysis and option pricing models.

(i) Income Tax

Current Tax

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

Deferred Tax

Deferred tax is provided on all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base of those items.

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised.

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However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as a result of a business combination) which affects neither taxable income nor accounting profit. Furthermore, a deferred tax liability is not recognised in relation to taxable temporary differences arising from goodwill.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, branches, associates and joint ventures except where the entity is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with these investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period(s) when the asset and liability giving rise to them is realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the entity expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the entity intends to settle its current tax assets and liabilities on a net basis.

Current and Deferred Tax for the Period

Current and deferred tax is recognised as an expense or income in the Statement of Comprehensive Income, except when it relates to items credited or debited directly to equity, in which case the deferred tax is also recognised directly in equity, or where it arises from the initial accounting for a business combination, in which case it is taken into account in the determination of goodwill or excess.

(j) 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.

(k) 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.

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(l) Share-based Payments

Equity-settled share-based payments are measured at the fair value of the equity instrument at the grant date. The fair value at grant date is measured by use of the Black-Scholes option pricing model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the entity's estimate of shares that will eventually vest.

For cash-settled share-based payments, a liability equal to the portion of the goods or services received is recognised at the current fair value determined at each reporting date.

(m) Employee Benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave when it is probable that settlement will be required and they are capable of being measured reliably. Liabilities recognised in respect of employee benefits expected to be settled within twelve (12) months are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Liabilities recognised in respect of employee benefits which are not expected to be settled within twelve (12) months are measured at the present value of the estimated future cash outflows to be made by the entity in respect of services provided by employees up to reporting date.

(n) Interest-bearing Loans and Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the Statement of Financial Position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve (12) months after the reporting period.

(o) Borrowing Costs

Borrowing costs are capitalised that are directly attributable to the acquisition, construction or production of qualifying assets where the borrowing cost is added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale. Other borrowing costs are expensed and are included in the profit or loss as part of borrowing costs.

(p) Property, Plant and Equipment

Land and buildings held for administrative purposes are carried in the Statement of Financial Position at fair value, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

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Plant and equipment are stated at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the item.

Depreciation is provided on property, plant and equipment. Depreciation is calculated on a diminishing value basis so as to write off the net cost or other revalued amount of each asset over its expected useful life to its estimated residual value. The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period.

Land is not depreciated. The following estimated useful lives are used in the calculation of depreciation:

<i>Class of fixed asset</i>	<i>Depreciation rate (%)</i>
Office furniture and equipment	7.5 – 40.0
Exploration equipment	4.8 – 20.0
Buildings	4.0
Gold mining and processing plant	20.0
Mining infrastructure	20.0

(q) Impairment of Assets

At each reporting date, the Consolidated Entity 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 Consolidated Entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the reversal of the impairment loss is treated as a revaluation increase.

(r) 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

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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.

(s) Development Expenditure

Development expenditure is recognised at cost less accumulated amortisation and any impairment losses. Exploration and evaluation expenditure is reclassified to development expenditure once the technical feasibility and commercial viability of extracting the related mineral resource is demonstrable. Where commercial production in an area of interest has commenced, the associated costs together with any forecast future capital expenditure necessary to develop proved and probable reserves are amortised over the estimated economic life of the mine on a units-of-production basis.

Changes in factors such as estimates of proven and probable reserves that affect unit-of-production calculations are dealt with on a prospective basis.

(t) Deferred Mining Expenditure

In mining operations, it is necessary to remove overburden and other barren waste materials to access ore from which minerals can economically be extracted. The process of mining overburden and waste materials is referred to as stripping. Stripping costs incurred before production commences are included within capitalised mine development expenditure and subsequently amortised over the life of the operation. The Group defers stripping costs subsequently incurred during the production stage of operations.

Stripping ratios are a function of the quantity of ore mined compared with the quantity of overburden, or waste, required to be moved to mine the ore. Deferral of the post production costs to the consolidated Statement of Financial Position is made, where appropriate, when actual stripping ratios vary from average life of mine ratios. Deferral of costs to the consolidated Statement of Financial Position is not made when the waste to ore ratio is expected to be consistent throughout the life of the mine.

Costs which have previously been deferred to the consolidated Statement of Financial Position are recognised in the consolidated Statement of Comprehensive Income on a unit of production basis utilising average stripping ratios. Changes in estimates of average stripping ratios are accounted for prospectively from the date of the change.

As it is not possible to separately identify cash inflows relating to deferred overburden removal costs, such assets are grouped with other assets or a cash generating unit for the purposes of undertaking impairment assessments, where necessary, based on future cash flows for the operation as a whole.

(u) Provisions

Provisions are recognised when the Consolidated Entity has a present obligation (legal or constructive) as a result of a past event, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the

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obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that recovery will be received and the amount of the receivable can be measured reliably.

(v) Provision for Restoration and Rehabilitation

A provision for restoration and rehabilitation is recognised when there is a present obligation as a result of development activities undertaken, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the provision can be measured reliably. The estimated future obligations include the costs of abandoning sites, removing facilities and restoring the affected areas.

The provision for future restoration costs is the best estimate of the present value of the expenditure required to settle the restoration obligation at the balance date. Future restoration costs are reviewed annually and any changes in the estimate are reflected in the present value of the restoration provision at each balance date.

The initial estimate of the restoration and rehabilitation provision is capitalised into the cost of the related asset and amortised on the same basis as the related asset, unless the present obligation arises from the production of inventory in the period, in which case the amount is included in the cost of production for the period. Changes in the estimate of the provision for restoration and rehabilitation are treated in the same manner, except that the unwinding of the effect of discounting on the provision is recognised as a finance cost rather than being capitalised into the cost of the related asset.

(w) Leases and Hire Purchase

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. Hire purchase contracts are accounted for in the same way as finance leases.

Assets held under finance leases are initially recognised at their fair value or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the general policy on borrowing costs – refer note 2(o).

Finance lease assets are depreciated on a straight line basis over the estimated useful life of the asset.

Operating lease payments are recognised as an expense on a straight line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

(x) 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.

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(y) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of Navigator Resources Ltd.

(z) 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.

(aa) Profit or loss from discontinued operations

A discontinued operation is a component of the entity that either has been disposed of, or is classified as held for sale, and:

- represents a separate major line of business or geographical area of operations
- is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations; or
- is a subsidiary acquired exclusively with a view to resale.

Profit or loss from discontinued operations, including prior year components of profit or loss, are presented in a single amount in the statement of profit or loss and other comprehensive income. This amount, which comprises the post-tax profit or loss of discontinued operations and the post-tax gain or loss resulting from the measurement and disposal of assets classified as held for sale (see also Note 1(dd)), is further analysed in Note 25. The disclosures for discontinued operations in the prior year relate to all operations that have been discontinued by the reporting date for the latest period presented.

(bb) Non-current assets and liabilities classified as held for sale and discontinued operations

When the Group intends to sell a non-current asset or a group of assets (a disposal group), and if sale within twelve (12) months is highly probable, the asset or disposal group is classified as 'held for sale' and presented separately in the Statement of Financial Position. Liabilities are classified as 'held for sale' and presented as such in the Statement of Financial Position if they are directly associated with a disposal group. Assets classified as 'held for sale' are measured at the lower of their carrying amounts immediately prior to their classification as held for sale and their fair value less costs to sell. However, some 'held for sale' assets such as financial assets or deferred tax assets, continue to be measured in accordance with the Group's accounting policy for those assets. Once classified as 'held for sale', the assets are not subject to depreciation or amortisation. Any profit or loss arising from the sale or re-measurement of discontinued operations is presented as part of a single line item, profit or loss from discontinued operations (see Note 1(cc)).

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

Judgements made by management in the application of the Group'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:

(a) Determination of Mineral Resources and Reserves

The determination of mineral reserves impacts the accounting for asset carrying values, depreciation and amortisation rates, deferred waste expenditure and provisions for rehabilitation. The information in this report as it relates to ore reserves, mineral resources or mineralisation is reported in accordance with the AusIMM "Australian Code for reporting of Identified Mineral Resources and Ore Reserves". The information has been prepared by or under the supervision of competent persons as identified by this Code.

There are numerous uncertainties inherent in estimating mineral resources and ore reserves and assumptions that are valid at the time of estimation may change significantly when new information becomes available. Changes in the forecast prices of commodities, exchange rates, production costs or recovery rates may change the economic status of reserves and may, ultimately, result in the reserves being restated.

(b) Life of Mine Stripping Ratios in Respect of Deferred Mining Expenditure

The Group has adopted a policy of deferring production stage stripping costs and amortising them in accordance with the life of mine strip ratio. Significant judgements are required in determining this ratio for each mine. Factors that are considered include:

- any proposed changes in the design of the mine;
- estimates of the quantities of ore reserves and mineral resources for which there is a high degree of confidence of economic extraction;
- future production levels;
- future commodity prices; and
- future cash costs of production and capital expenditure.

Where the deferred mining expenditure is estimated to be expensed within the next twelve (12) months, the amount is categorised as a current asset in the Statement of Financial Position. The portion of the deferred mining expenditure that will not be expensed within twelve (12) months is categorised as a non-current asset in the Statement of Financial Position.

(c) Provision for Rehabilitation Costs

Rehabilitation costs are a normal consequence of mining, and the majority of this expenditure is incurred at the end of a mine's life. In determining an appropriate level of provision, consideration is given to the expected future costs to be incurred, the timing of these expected future costs (largely dependent on the life of the mine), and the estimated future levels of inflation.

The ultimate cost of rehabilitation is uncertain and costs can vary in response to many factors including changes to the relevant legal requirements, the emergence of new rehabilitation techniques or experience at other mine sites. The expected timing of expenditure can also change, for example in response to changes in ore reserves or to production rates.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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Changes to any of the estimates could result in significant changes to the level of provisioning required, which would in turn impact on future financial results.

(d) Determining the Beginning of Production

Considerations are made in the determination of the point at which development and commissioning ceases and production commences for a mine project. This point determines the cut-off between pre-production and production accounting.

(e) Impairment

The Group assesses impairment at each reporting date by evaluating conditions specific to the Group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Further information regarding impairment adjustments is outlined in note 24 'Subsequent Events'.

(f) Share-based Payments

The Group measures the cost of equity settled transactions by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using a Black-Scholes model, using the assumptions detailed in note 21.

(g) Basis of Consolidation

Despite entering into voluntary administration on 28 March 2013, the financial statements have been prepared on a consolidated basis. As outlined in Note 24, the Directors entered into a DOCA whereby the subsidiaries were to be sold with proceeds received by the parent entity. On this basis, the subsidiaries have continued to be consolidated until the date of sale (disposal).

Note 3: Revenue and Expenses

Profit / (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 2015 \$	2014 \$
(a) Other revenue		
Interest income	38,155	97,068
Others	-	30,028
	38,155	127,096
(b) General and administration expenses		
Salary and wages	34,979	307,748
Rent expenses	-	145,818
Remuneration of administrators	245,801	426,137
Legal and professional fees	378,755	439,105
Insurance	10,270	123,742
Others	109,702	155,058
	779,507	1,597,608

NAVIGATOR RESOURCES LTD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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Note 4: Income Taxes

	Consolidated 2015 \$	2014 \$
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	-	-
Total tax expense / (income)	-	-

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:

Loss from operations before tax	(2,525,207)	(9,557,078)
Income tax benefit calculated at 30% (30 June 2014: 30%)	(757,562)	(2,867,123)
Tax effects of amounts which are not deductible in calculating taxable income	757,562	2,867,123
Income tax benefit	-	-

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.

Since the Group went into voluntary administration on 28 March 2013 and due to likely recapitalisation of the company, deferred tax assets balances are deemed highly unlikely to be recovered and therefore not recognised.

Note 5: Cash and cash equivalents

Cash at bank	191,485	2,294,071
	191,485	2,294,071

Note 6: Trade and Other Receivables

Current		
Trade Receivables	-	255,555
Goods and services tax recoverable	16,924	156,401
Other receivables	-	8,077,900
	16,924	8,489,856

The average credit period on sales of goods is three (3) days. None of the receivables are past due and therefore not impaired. All prior year balances related to Navigator Mining have been reclassified as 'assets held for sale' – refer to Note 25. Other receivables represent deferred consideration from the sale of Navigator Bronzewing Pty Ltd.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015 (continued)

Note 7: Property, Plant and Equipment

	Land and buildings at fair value \$	Plant and equipment at cost \$	Total \$
Gross carrying amount			
Balance at 1 July 2013	8,000	9,128,040	9,136,040
Additions	-	-	-
Impairment	-	-	-
Balance at 30 June 2014	8,000	9,128,040	9,136,040
Additions	-	-	-
Impairment	-	-	-
Balance at 30 June 2015	8,000	9,128,040	9,136,040
Accumulated depreciation and impairment			
Balance at 1 July 2013	8,000	9,128,040	9,136,040
Depreciation expense	-	-	-
Balance at 30 June 2014	8,000	9,128,040	9,136,040
Depreciation expense	-	-	-
Balance at 30 June 2015	8,000	9,128,040	9,136,040
	Land and buildings at fair value \$	Plant and equipment at cost \$	Total \$
Net book value			
As at 30 June 2014	-	-	-
As at 30 June 2015	-	-	-

Note 8: Other Financial Assets

	Consolidated 2015 \$	2014 \$
Non-current		
Security deposits for environmental bonds (i)	62,429	62,429
	62,429	62,429

(i) Security deposits on Environmental Bonds

The Company has cash on deposit with a financial institution that secures the provision of environmental performance bonds provided to the Government of Western Australia over tenements. The bonds will only be retired when rehabilitation has met all completion criteria and standards set out in approval documents, annual environmental reports and decommissioning plans.

NAVIGATOR RESOURCES LTD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015 (continued)

Note 9: Trade and Other Payables

	Consolidated	
	2015	2014
	\$	\$
Trade payables and accruals (i)	1,087,503	4,023,452
Employee entitlements	29,375	29,375
	1,116,878	4,052,827

(i) Trade Payables

The credit period on purchases of goods and services ranges from zero (0) days from invoice to thirty (30) days from EOM after 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 Group has financial risk management policies in place to ensure all payables are paid within the credit timeframe, notwithstanding that the company entered into voluntary administration on 28 March 2013.

Note 10: Borrowings

Current

Short term finance facility (i)	18,646,880	18,646,880
Related Party Loan (ii)	-	8,077,900
	18,646,880	26,724,780

(i) Short Term Finance Facility

The Company has borrowings under an unsecured short term finance facility with significant shareholder and related-party, Au Mining Limited ("AU Mining"). All terms and conditions of the loan are not relevant at balance date as the Group entered into voluntary administration on 28 March 2013. The amount ultimately payable is dependent on the outcome of the DOCA.

(ii) Related Party loan

Related Party Loan represents loan balance to Waterton that was transferred from Navigator Bronzewing Pty Ltd prior to its disposal. The loan balance was paid during the current year when the deferred consideration from the sale of Navigator Bronzewing was fully received.

Note 11: Provisions

Non-current

Employee entitlements	9,162	9,162
	9,162	9,162

NAVIGATOR RESOURCES LTD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015 (continued)

Note 12: Issued Capital

	Consolidated 2015		Consolidated 2014	
	No. of shares/ options	2015 \$	No. of shares/ options	2014 \$
Fully paid ordinary shares	18,223,695	113,409,487	18,223,695	113,409,487
Listed options	-	-	-	-
Fully paid ordinary Shares				
Balance at beginning of financial year	18,223,695	113,409,487	18,223,695	113,409,487
Balance at end of financial year	18,223,695	113,409,487	18,223,695	113,409,487
Listed Options				
Balance at beginning of financial year	-	-	-	-
Balance at end of financial year	-	-	-	-

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

Unlisted Share Options on Issue

Unlisted share options issued by the Company carry no rights to dividends and no voting rights.

As at 30 June 2015, the Company had nil unlisted share options on issue (2014: nil).

Note 13: Earnings / (Loss) per Share

	Consolidated	
	2015	2014
	\$	\$
Basic earnings / (loss) per share	(0.14)	(0.52)
Basic earnings / (loss) per share from continuing operations	(0.06)	(0.09)
Basic earnings / (loss) per share from discontinued operations	(0.08)	(0.44)

Basic Loss per Share

The loss and weighted average number of ordinary shares used in the calculation of basic loss per share are as follows:

	2015	2014
	\$	\$
Loss from continuing operations	(1,156,895)	(1,557,165)
Loss from discontinued operations	(1,368,612)	(7,999,913)
Net loss	(2,525,507)	(9,557,078)
Weighted average number of ordinary shares for the purposes of basic loss per share	18,223,695	18,223,695

Diluted Earnings / (Loss) per Share

Diluted earnings / (loss) per share has not been calculated as the result is anti-dilutive in nature.

NAVIGATOR RESOURCES LTD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015 (continued)

Note 14: Segment Reporting

Up until the date the Group entered into voluntary administration, the Group had three (3) reportable segments, as described below, which were the Group's strategic business units. The business units operated in one (1) geographical area, being Western Australia, and in one (1) industry section, being mineral exploitation and exploration.

The Group's reportable segments and activities were:

- Production – which includes mining, extraction and processing of gold;
- Exploration – which includes exploration for mineral resources; and
- Corporate.

The Group had no reliance on any one customer as gold produced could be sold through various banks and agents at spot prices.

Segment information for the year ended 30 June 2015 and 2014 have not been presented as the group entered into voluntary administration on 28 March 2013 with all operating assets & liabilities classified as 'available for sale'. Subsequent to balance date and pursuant to a DOCA, the company sold its subsidiaries which were previously described in the segment reporting as exploration and production segments.

Note 15: Commitments for Expenditure

a) Exploration Expenditure Commitments

There were no further exploration expenditure commitments upon the group entering into voluntary administration on 28 March 2013.

b) Operating Lease Commitments

There were no operating lease commitments at balance date.

Note 16: Contingent Liabilities and Contingent Assets

In the opinion of the Directors, there are no contingent liabilities as at 30 June 2015 and no contingent liabilities at the date of this financial report.

Note 17: Subsidiaries

Name of Entity	Country of Incorporation	Ownership Interest	
		2015	2014
		%	%
Parent Entity			
Navigator Resources Limited	Australia		
Subsidiaries			
Navigator Mining Pty Ltd	Australia	-	100

NAVIGATOR RESOURCES LTD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015 (continued)

Note 18: Parent Entity

The parent company throughout the financial year ended 30 June 2015 was Navigator Resources Limited.

	Parent Entity	
	2015	2014
	\$	\$
Results of the parent entity		
Loss for the year (i)	(32,843,975)	(77,074,432)
Other Comprehensive Income	-	-
Total comprehensive (loss) for the period	(32,843,975)	(77,074,432)
Financial position of the parent entity at year end		
Current assets	208,409	10,783,927
Non-current assets	62,429	62,429
Total assets	270,838	10,846,356
Current liabilities	59,795,587	37,527,128
Non-current liabilities	9,162	9,162
Total liabilities	59,804,749	37,536,290
Total equity of parent entity comprising of:		
Share capital	113,409,487	113,409,487
Reserves	-	-
Accumulated losses	(172,943,398)	(140,099,422)
Total Equity	(59,533,911)	(26,689,935)

(i) Loss for the year includes impairment/reversal of intercompany loans.

Note 19: 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:

	Consolidated	
	2015	2014
	\$	\$
Cash and cash at bank	191,485	2,294,071
	191,485	2,294,071

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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b) Reconciliation of Loss for the Period to Net Cash Flows from Operating Activities

	Consolidated 2015 \$	2014 \$
Operating (loss) / profit after income tax	(2,525,507)	9,557,078
<i>Non-cash adjustment</i>		
Depreciation of property, plant and equipment	-	(2,746,839)
Amortisation of mining and development properties	-	-
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)	2,690,907	(7,993,172)
Inventories and deferred mining expenditure	-	(2,621,087)
Increase / (decrease) in liabilities:		
Trade and other payables	(4,121,835)	(1,038,851)
Provisions	(29,375)	-
Cash (used) / provided by operating activities	(3,966,564)	(4,842,871)

Note 20: 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 Group'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.

Up until entering voluntary administration, the Board of Directors had 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 Group, 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 the Group's activities. The Group aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

Market Risk Management

a) Interest Rate Risk

There were no material exposures to the interest rate risk subsequent to the group entering into voluntary administration on 28 March 2013.

b) Commodity Risk

There were no material exposures to the commodity risk subsequent to the group entering into voluntary administration on 28 March 2013.

c) Currency Risk

There were no material exposures to the currency risk subsequent to the group entering into voluntary administration on 28 March 2013.

NAVIGATOR RESOURCES LTD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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Credit Risk Management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group 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 Group'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 Consolidated Entity measures credit risk on fair value basis.

There were no material exposures to the credit risk subsequent to the group entering into voluntary administration on 28 March 2013.

Liquidity Risk Management

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group'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 Group'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.

There were no material exposures to the liquidity risk subsequent to the group entering into voluntary administration on 28 March 2013.

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 Group consists of equity, comprising issued capital and reserves, net of accumulated losses. The Group's policy in previous years has been to use capital market issues to meet the funding requirements of the Group.

There were no material exposures to the capital risk subsequent to the group entering into voluntary administration on 28 March 2013.

Note 21: Share-based Payments

Employee Share Options

The Group had the following ownership-based compensation schemes for executive and senior employees of the Group as approved by shareholders at previous annual general meetings:

- Executive and Employee Option Plan ("EEOP"); and
- Incentive Rights Scheme ("IRS").

These schemes remained active until the group entered into voluntary administration on 28 March 2013. Under both schemes, each employee share option converts into one (1) ordinary share of Navigator Resources Limited on exercise. No amounts are paid or payable by the recipient on receipt of the option. The options carry neither rights to dividends or voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry.

NAVIGATOR RESOURCES LTD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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In accordance with the provisions of the EEOP, executives and employees may be granted option at the discretion of the Directors. The number of options granted was at the sole discretion of the Directors subject to the total number of outstanding options being issued under the EEOP not exceeding 5% of the Company's issued capital at any one time.

In respect of the IRS, the scheme comprise of both a Medium Term Incentive Plan ("MTIP") and a Long Term Incentive Plan ("LTIP"). The number of options granted under the MTIP and LTIP, and the associated terms and conditions – including requirements to meet key performance indicators associated with grant, were at the discretion of the Directors.

The number of options granted under the IRS shall not exceed 5% of the Company's issued capital at any one time. Options issued to the Directors were not issued under the IRS but were subject to approval by shareholders and attach vesting conditions as appropriate.

Employee Share-Based Payment Arrangements

The following employee share-based payment arrangements were in existence during the current and comparative reporting periods:

Option series	Number	Grant date	Expiry date	Exercise Price \$	Fair value at grant date \$
6934	365,842	24 February 2011	24 February 2014	0.0010	0.1333
6944	500,000	20 October 2008	21 July 2012	0.2138	0.0713
6945	500,000	20 October 2008	21 July 2013	0.1880	0.0817
6956	1,500,000	24 February 2011	24 February 2014	0.2850	0.1064
6957	500,000	24 February 2011	2 June 2014	0.2850	0.1106
6958	250,000	24 February 2011	16 November 2014	0.2850	0.1141
6960	500,000	30 July 2009	25 May 2013	0.2400	0.1302
6961	500,000	30 July 2009	25 May 2014	0.1707	0.1348
6962	500,000	30 July 2009	25 May 2015	0.1507	0.1378
6963	500,000	24 February 2011	1 February 2015	0.2950	0.1181
6964	250,000	24 February 2011	8 March 2015	0.2850	0.1169

At 30 June 2015, all the outstanding options were deemed lapsed since the group entered into voluntary administration on 28 March 2013 and therefore the fair value of the options were deemed to be nil.

Unlisted Options Issued to Outside Parties

In addition to options issued by Directors and employees, the Group also issued options to various outside parties including bankers, as a part of financing fees, advisors, as part of equity issue fees, and to other parties in relation to share placements. The following unlisted, outside party options were in existence during the current and comparative reporting periods:

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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Option series	Number	Grant date	Expiry date	Exercise Price \$	Fair value at grant date \$
RMB01A	7,500,000	30 September 2009	30 September 2014	0.185	0.1827
RMB02A	4,500,000	30 October 2009	30 October 2014	0.185	0.1287
RMB04A	8,024,464	7 May 2010	7 May 2015	0.115	0.1006
RMB05A (6936)	6,018,348	28 May 2010	28 May 2015	0.115	0.1140
RMB06A (6935)	19,962,693	1 December 2010	1 December 2015	0.115	0.1344
RMB07	10,000,000	19 August 2011	19 August 2016	0.021	0.0168

At 30 June 2015, all the outstanding options were deemed lapsed since the group entered into voluntary administration on 28 March 2013 and therefore the fair value of the options were deemed to be nil.

Note 22: Related Party Transactions

Transactions with Related Parties

AU Mining Limited

The Company has borrowings under an interest bearing unsecured short-term finance facility with significant shareholder and related party, AU Mining Limited. The facility terms and loan balance are detailed in Note 10 to the financial statements.

Equity Interests in Related Parties

a) Equity Interests in Subsidiaries

Details of the percentage of ordinary shares held in subsidiaries are disclosed in Note 17 to the financial statements.

Transactions with Key Management Personnel

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

Transactions with Other Related Parties

Other related parties include:

- the parent entity;
- entities with joint control of significant influence over the Group;
- associates;
- joint ventures in which the entity is a venturer;
- subsidiaries;
- former key management personnel; and
- other related parties.

All loans advanced to and payable to subsidiaries of the parent entity and between members of the consolidated group are unsecured and subordinate to other liabilities. No interest is charged.

Transactions and balances between the Company and its subsidiaries were eliminated in the preparation of consolidated financial statements of the Group.

Parent Entities

The ultimate parent entity in the Group is Navigator Resources Limited.

NAVIGATOR RESOURCES LTD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015 (continued)

Note 23: Remuneration to Auditors

	Consolidated 2015 \$	2014 \$
Amounts received or due and receivable – PKF Hacketts Audit (2014: PKF Hacketts)		
Audit and review of the financial reports	10,000	10,000
Other services	-	-
	10,000	10,000

The auditor of Navigator Resources Limited and the Consolidated Group is PKF Hacketts Audit.

Note 24: Subsequent Events

As reported in the financial statements, the group entered into voluntary administration on 28 March 2013. Since the end of the financial year, 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

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 year 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 years.

NAVIGATOR RESOURCES LTD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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Note 25: 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 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:

	30-June-15		
	Mining	Bronzewing	Total
	\$	\$	\$
Revenue	68,559	-	68,559
Expenses	(155,442)	-	(155,442)
Loss before income tax	(86,883)	-	(86,883)
Income tax expense	-	-	-
Total loss after tax attributable to the discontinued operation	(86,883)	-	(86,883)
Loss on sale of Navigator Mining	(1,281,729)	-	(1,281,729)
Total loss after tax attributable to the discontinued operation	(1,368,612)	-	(1,368,612)

	30-June-14		
	Mining	Bronzewing	Total
	\$	\$	\$
Revenue	29,432	474,528	503,960
Expenses	(4,493,644)	(3,980,803)	(8,474,447)
Loss before income tax	(4,464,212)	(3,506,275)	(7,970,487)
Income tax expense	-	-	-
Total loss after tax attributable to the discontinued operation	(4,464,212)	(3,506,275)	(7,970,487)
Loss on sale of Navigator Bronzewing	-	(29,426)	(29,426)
Total loss after tax attributable to the discontinued operation	(4,464,212)	(3,535,701)	(7,999,913)

NAVIGATOR RESOURCES LTD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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d. Detail on sale of Navigator Mining Pty Ltd

	\$
Sales consideration:	
Cash	2,082,311
Net assets disposed	
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)
Net assets disposed	3,364,040
Gain/(loss) on sale	(1,281,729)

e. Cash Flow Information

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

	30-June-15		
	Mining	Bronzewing	Mining
	\$	\$	\$
Net cash outflow from operating activities	(487,995)	-	(487,995)
Net cash inflow from investing activities	4	-	4
Net cash inflow from financing activities	487,085	-	487,085
Net decrease in cash generated by discontinued operations	(909)	-	(909)

	30-June-14		
	Mining	Bronzewing	Total
	\$	\$	\$
Net cash outflow from operating activities	(1,811,454)	(1,401,258)	(3,212,712)
Net cash outflow from investing activities	(127,900)	(2,621,087)	(2,748,987)
Net cash inflow from financing activities	1,934,275	2,437,542	4,371,817
Net increase in cash generated by discontinued operations	5,079	1,584,803	1,589,882