Consolidated Activities Report

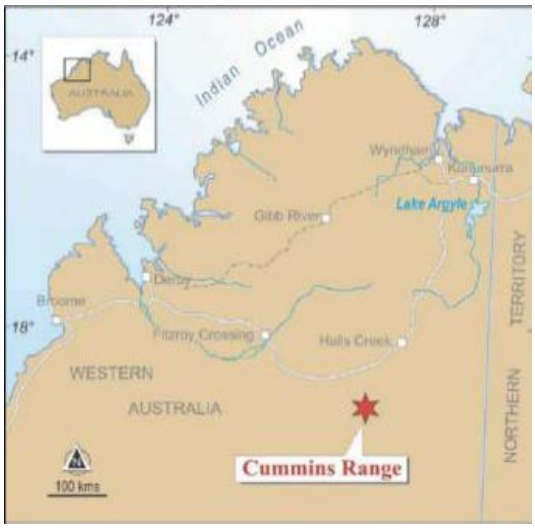
The plans of Navigator Resources Limited (**Company)** are the best indicators available to the Company at this time as to the proposed use of the funds to be raised under the prospectus dated 16 February 2016 (**Prospectus**). It is important to recognise that the proposed use of funds is subject to change in line with emerging results, circumstances and opportunities, and may be changed by the board of directors (**Board**) at its discretion at any time.

Following reinstatement, it is proposed that the Company's principal activities will continue to be mining exploration activities.

Cummins Range Project

The Cummins Range Project (**Cummins Range Project**) is located 130km southwest of Halls Creek in the East Kimberly, Western Australia. The Cummins Range Project consists of one exploration licence, E80/2232, which covers an area of 48.5 square kilometres. The Cummins Range Project is 100% held by the Company.

Figure 1: ***Cummins Range Project area location***



The Cummins Range Project is hosted within the Cummins Range carbonatite pipe, a 905Ma diatreme pipe forming part of a small alkaline intrusive complex located near the junction of the Halls Creek Orogen and the King Leopold Orogen.

In May 2011 an ultra-detailed aeromagnetic survey was performed over the Cummins Range pipe and surrounding country rock was flown in July 2011 at an altitude of 20 metres and with a total of 2,000 line kilometres.

Following on from the airborne survey a closed spaced ground gravity survey was completed at a station spacing of 100 metres by 50 metres over the central portion of the pipe, expanding to 200 metres by 100 metres over the adjacent country rock to establish background parameters. In total, 3,400 gravity stations were collected.

During July 2011, an auger-sampling program was carried out on a grid of 500 metres by 100 metres to a depth of 2 metres over the entire tenement area. The grid spacing was reduced to 100 metres by 100 metres over the Cummins Range pipe. A total of 1,297 samples were collected and analysed for rare earth elements, resulting in the identification of give geochemical anomalies (threshold 200ppm TREO). Four of the five are located within the Cummins Range pipe.

Exploration was then progressed with a reverse circular (**RC**) drilling programme in September and October 2011, consisting of 77 holes totalling 4,230 metres, aimed at extending and upgrading the existing inferred resource. The drilling has confirmed a northwest-southeast trend of REO mineralisation that runs parallel to the regional structural fabric of the country rock surrounding the Cummins Range pipe. The deposit is interpreted to be structurally controlled by a central shear zone, which allowed for the carbonate intrusion and a deeper weathering profile.

The RC drilling has also confirmed low levels of thorium in the Cummins Range resource, with an average of 42 ppm Th within the current resource.

A large composite sample was prepared from a range of selected drill samples from the 2011 RC drilling campaign for metallurgical testwork and associated mineralogical study work to be carried out in Australia. The testwork was conducted to determine the potential upgradeability (into concentrate) and to generate an understanding of the mineralogical distribution, liberation and deportment of rare earths within the mineralisation for process flowsheet development and economic assessment.

Mineral Resources

Following the completion of the 2011 RC drilling programme, a mineral resource update was reported by H&S Consultants Pty Ltd in 2012 using the combined 2007 and 2011 datasets. As part of the update an improved geological model was used to define the wireframes used in the estimation process. Grades were estimated using ordinary kriging, with the search ellipse orientated parallel to the primary structural control.

In 2015, a report was prepared by H&S Consultants Pty Ltd (**H&S Consultants Report 2015**) for the purpose of updating the resource estimate of the Cummins Range Project resource, and to comply with the Joint Ore Reserves Committee (**JORC**) 2012 standards. A copy of this report is located on page 24 of the Notice of Meeting issued by the Company dated 18 December 2015 (**NOM**). The H&S Consultants Report concluded that a classification of an Inferred Resource only applies to cut-off grades above 2.5% TREOY.

For the purposes of Listing Rules 5.22 and 5.23, the Competent Person's Sign-off provided in relation to the H&S Consultants Report 2015 can be located on page 41 of the NOM.

As the Company has been through administration and is intending to review and assess its options in relation to the Cummins Range Project, the Company's future operations may be affected by a range of factors as outlined in Section 8 in this Prospectus.

As the full amount of $2,000,250 has been raised under the Prospectus, the Company intends to apply the funds raised in accordance with the Table in Section 3.1 of the Prospectus.

As outlined in Section 3.1 of the Prospectus, the Company has budgeted $200,000 in year 1 and $250,000 in year 2 for the review and development of existing assets.

As outlined in Section 3.1 of the Prospectus, the Company has also budgeted $150,000 in year 1 and $175,000 in year 2 for the review and evaluation of new projects. In this regard, the Board will actively consider the acquisition and development of other investments, both within the broader industry as well as in unrelated market segments.

The Company has a Board of Directors with extensive business experience in various industries ranging from private equity, information technology, industrials and education. The Board intends to also seek advice from advisors and consultants with mining exploration experience. Whilst not being prescriptive, the Board may seek acquisitions that may be both complementary and non-complementary to the Company and that may have the potential to create shareholder value.

It should also be noted that should the Company pursue an acquisition opportunity, any such transaction may be subject to Shareholder approval.