NAVIGATOR RESOURCES LIMITED

ABN 82 063 366 487

ANNUAL FINANCIAL REPORT

for the year ended 30 June 2004

Contents

The Directors submit their report together with the financial report of Navigator Resources Limited (*the "Company"*) for the year ended 30 June 2004 and the Auditors' Report thereon.

Directors

The names of Directors of the Company at any time during or since the end of the financial year are:–

Barry Bolitho B.Sc. (Extractive Metallurgy) FAusIMM
Non Executive Chairman - appointed 3 July 2003

Mr Bolitho holds tertiary qualifications in both metallurgy and chemistry and has over 28 years experience in the minerals industry. During this time he has gained extensive experience with nickel, mineral sands, tin, tantalum, gold and silver. Over the last 15 years he has held a number of executive management positions in the resource sector including board positions with both producer and exploration companies. Mr Bolitho has been responsible for the development and executive management of greenfields projects in Australia and offshore and has an extensive experience base over most facets of the minerals industry, including acting as an Independent Expert for a number of financial institutions. He is currently Managing Director of Matilda Minerals Ltd.

Mr Bolitho has been a Fellow of the Australasian Institute of Mining & Metallurgy for the past 15 years.

Tom Sanders B.Sc. (Geology) M.Sc. (Mineral Economics) MAusIMM FAICD
Managing Director – appointed 2 February 1994

Mr Sanders graduated from the University of Sydney in 1977 with a Bachelor of Science in Geology, and obtained a Master of Science in Mineral Economics in WA following part time studies in 1996. He has 26 years experience working with a large number of listed resource companies with an emphasis on gold and nickel in Western Australia. Mr Sanders has wide expertise in exploration and evaluation and has mine experience at several underground and open pit mines. He has several published works relating to nickel and gold in WA, and mineralisation in the East Kimberley and is a founding director of Navigator Resources Limited.

Simon Coxhell B.Sc. (Geology) MAusIMM

Executive Director - re-appointed 3 July 2003

Mr Coxhell is a geologist with 20 years experience in Australia and overseas. Mr Coxhell graduated in 1984 from James Cook University, North Queensland, where he completed a BSc and Masters Qualifying. Mr Coxhell's experience includes extensive exploration and mine geological work the Eastern Goldfields of Western Australia and operating experience in Indonesia, Papua New Guinea and Sardinia. Mr Coxhell has managed exploration and mining projects for several listed public companies, primarily in gold and including several mine operational start-ups.

Ian Macpherson B.Comm CA
Non Executive Director and Company Secretary - re-appointed 3 July 2003

Mr Macpherson is a graduate from the University of Western Australia with a Bachelor of Commerce in 1977. He commenced his career in commerce in 1978 prior to entering the Chartered Accounting profession. Mr Macpherson was admitted as a partner of the firm that became known as KMG Hungerfords in 1986, having built up a specialist practice in the provision of corporate and financial advice to the mining and mineral exploration industry. In 1987 the firm merged with Arthur Andersen & Co.

In 1990 Mr Macpherson resigned from the partnership of Arthur Andersen & Co to establish Ord Partners. Mr Macpherson has specialised in the area of corporate advice with a particular emphasis on capital structuring, equity and debt raising, Corporate Affairs and Stock Exchange compliance procedures for public companies, both mining and industrial. He has acted in the role of director and company secretary for a number of his clients and has been involved in numerous asset acquisition and disposal engagements involving the preparation of detailed Information Memorandum, pre-acquisition review and Independent Reports. He is currently non-executive Chairman of Preston Resources Ltd and Visiomed Group Limited and non-executive director of Helix Resources Limited and Precious Metals Australia Ltd

Mr Macpherson is an Associate Member of the Institute of Chartered Accountants in Australia and past member, Executive Council of the Association of Mining Exploration Companies (WA) Inc.

Simon Farrell
Non-Executive Director - resigned 3 July 2003

Peter Cordin
Non-Executive Director – resigned 3 July 2003

Meetings of Directors

The following table sets out the number of meetings of the Company's Directors held during the year ended 30 June 2004 and the number of meetings attended by each Director:–

	Board Meetings	
Director	Held	Attended
Mr T Sanders	10	10
Mr I Macpherson	10	10
Mr S Coxhell	10	10
Mr B Bolitho	10	9

Principal Activities

The principal activity of the Company was mineral exploration.

There were no significant changes in the nature of the Company's principal activities during the financial year.

Results

The loss of the Company for the year after income tax was $146,617 (2003: Loss $343,718).

Dividends Paid Or Recommended

No amounts were paid or declared by way of dividend by the Company. The Directors do not recommend payment of a dividend in respect of the financial year ended 30 June 2004.

Review of Operations

Corporate

On 17 September 2003, Navigator Resources Limited was successfully admitted to the Official List of Australian Stock Exchange Limited and commenced its official quotation on 19 September 2003. The Company issued the following securities as a result of the Initial Public Offer:-

- 15,000,000 new ordinary shares issued to the public at an issue price of $0.20 per share to raise a total of $3,000,000;
- 3,350,000 new ordinary fully paid shares to GVM to extinguish debt owing to GVM totalling $670.000;
- Issued 15,000,000 free attaching options allotted to the public, pursuant to the application for shares. The options are exercisable at 20 cents each on or before 30 June 2007;
- Issued 500,000 new ordinary fully paid shares to Tom Sanders and 500,000 ordinary fully paid shares to Ian Macpherson; and
- Issued 2,000,000 director's options exercisable at 20 cents each on or before 30 June 2006, to Tom Sanders or nominees and 1,000,000 director's options exercisable at 20 cents each on or before 29 June 2007, each to Barry Bolitho and Simon Coxhell.

Exploration

Navigator Resources Limited (Navigator) has a long term regional focus on the East Kimberley region of Western Australia where the Company is exploring advanced gold and nickel targets located close to recently established treatment facilities.

To further advance the Company's production aspirations, Navigator recently acquired a 221,500 ounce gold resource (ASX release 17 June 2004) in the Leonora area of WA's Eastern Goldfields from Sons of Gwalia Ltd (Administrators appointed).

Changes in State Of Affairs

The following changes in the state of affairs of the Company were noted from 1 July 2003 to the date of this report:-

On 4 July 2003, the Company issued 1,500,000 shares at an issue price of $0.10 per share to raise a total of $150,000. These funds were used to fund the Initial Public Offering (IPO) process through which the Company was subsequently admitted on the Australian Stock Exchange;

On 17 September 2003, the Company was admitted to the Official List of Australian Stock Exchange Limited and officially quoted on the ASX on 19 September 2003;

On the 11 September 2003, as a series of conditions precedent to the Company's admission to the Official List of the ASX, the following transpired :

- 15,000,000 new shares were issued to the public at an issue price of $0.20 per share to raise a total of $3,000,000;
- The existing shares of 14,314,434 which were owned by Golden Valley Mines Ltd (GVM) before the initial public offer (IPO), were issued in specie to shareholders of GVM as returns of capital;
- The issue of 3,350,000 ordinary fully paid shares to GVM to extinguish debt owing to GVM totalling $670,000. The remaining balance of debt owing to GVM was forgiven by GVM;
- The issue of 15,000,000 free attaching options allotted pursuant to the application for shares to the public. The options are exercisable at 20 cents each on or before 30 June 2007;
- The issue of 500,000 ordinary fully paid shares to Tom Sanders and 500,000 ordinary fully paid shares to Ian Macpherson; and
- The issue of 2,000,000 director's options exercisable at 20 cents each on or before 30 June 2006, to Tom Sanders or nominees and 1,000,000 director's options exercisable at 20 cents each on or before 29 June 2007, each to Barry Bolitho and Simon Coxhell;

In the opinion of the Directors, other than that stated above, there were no other significant changes in the state of affairs of the Company that occurred during the financial year under review and subsequent to the financial year.

Events Subsequent to Balance Date

On 27 September 2004, Navigator Resources Limited announced that a final agreement had been executed with Sons of Gwalia ("SGW") to acquire the Cardinia, Raeside and Mertondale gold projects in the Leonora area, in the Eastern Goldfields region of Western Australia. A total of 57 granted and pending mining, prospecting and miscellaneous leases were acquired.

The terms of purchase include the payment of $120,000 and the issue of one million shares in Navigator. The agreement also provides the Company with access to SGW's treatment facilities in the area subject to agreement at the time with SGW retaining the right to buy back up to a 60% interest on discoveries exceeding 250,000 ounces of gold.

Other than stated above, there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of the Company, the results of those operations, or the state of affairs of the Company, in the future years.

Environmental regulation

The Company's operations are subject to significant environmental regulations under both Commonwealth and State legislation. The Board believes that the Company has adequate systems in place for the management of its environmental regulations and is not aware of any breach of those environmental requirements as they apply to the Company.

Directors' And Senior Executives' Emoluments

The Board is responsible for establishing remuneration packages applicable to the Board members of the Company. The policy adopted by the board is to ensure that remuneration properly reflects an individual's duties and responsibilities and that remuneration is competitive in attracting, retaining and motivating people of the highest calibre.

Directors' remuneration packages are also assessed in the light of the condition of markets within which the Company operates, the Company's financial condition and the individual's contribution to the achievement of corporate objectives.

	Base Emolument and Fees $	Other $ (i)	Other- (Vehicle Hire) $	Super Contributions $	Options Issued $	Shares Issued $	Total $
Directors							
Mr I Macpherson	13,500	65,621	-	-	-	70,000	149,121
Mr S Coxhell	104,008	-	3,945	7,500	35,000	-	150,453
Mr T Sanders	133,940	-	17,239	8,627	70,000	70,000	299,806
Barry Bolitho	18,000	-	-	-	35,000	-	53,000
Total	**269,448**	**65,621**	**21,184**	**16,127**	**140,000**	**140,000**	**652,380**

(i) Company secretarial and corporate advisory fees of $62,558 have been paid to Ord Corporate Pty Ltd, a company associated with Ian Macpherson.

Directors' Interests

The relevant interest of each Director of the Company, and their director related entities, in shares and share options of the Company at the date of this report is:–

Director	Shares	Options
I Macpherson	500,000	200,000 (1)
S Coxhell	119,980	1,000,000 (2)
B Bolitho	59,006	1,000,000 (2)
T Sanders	5,199,529	3,000,000 (3)

(1) exercisable at 20 cents each on or before 30 June 2007
(2) exercisable at 20 cents each on or before 29 June 2007
(3) 1,000,000 options exercisable at 20 cents each on or before 30 June 2007; and 2,000,000 options exercisable at 20 cents each on or before 30 June 2006

Share options

(a) Share options granted to Directors

Options over unissued ordinary shares of Navigator Resources Limited granted during or since the end of the financial year to any of the Directors as part of their remuneration were as follows :

Director	Date Options Granted	Expiry Date	Exercise Price	Options Granted
S Coxhell	11 September 2003	29 June 2007	20 cents	1,000,000
B Bolitho	11 September 2003	29 June 2007	20 cents	1,000,000
T Sanders	11 September 2003	30 June 2006	20 cents	2,000,000

(b) Shares under option

Unissued ordinary shares of Navigator Resources Limited under option at the date of the report are as follows:-

Date options granted	Expiry Date	Exercise Price	Number of Options
11 September 2003	30 June 2007	20 cents	15,000,000
11 September 2003	30 June 2006	20 cents	2,000,000
11 September 2003	29 June 2007	20 cents	2,000,000
			19,000,000

These options do not entitle the holders to participate in any share issue of the Company or any other body corporate.

Directors' insurances

The Company entered into Deeds of Insurance, Indemnity and Access with each of the Directors under which the Company agrees to indemnify the Directors against certain liabilities incurred by the Directors while acting as Director of the Company, to insure the Directors against certain risks to which the Directors are exposed to as a Director of the Company.

Signed on this 30th day of September 2004 in accordance with a resolution of the Directors.

Tom Sanders - Managing Director

CORPORATE GOVERNANCE DISCLOSURES

INTRODUCTION

Navigator Resources Limited ("**Company**") has adopted systems of control and accountability as the basis for the administration of Corporate Governance. Some of these policies and procedures are summarised below.

The following additional information about the Company's Corporate Governance practices is set out on the Company's website at www.navigatorresources.com.au:

- Corporate Governance Disclosures and Explanations;
- Statement of Board and Management Functions;
- Nomination Committee Charter;
- Policy and Procedure for Selection and Appointment of New Directors;
- Code of Conduct for Company Executives;
- Policy for Trading in Company Securities;
- Audit Committee Charter;
- Procedure for Selection, Appointment and Rotation of External Auditor;
- Summary of Compliance Procedures for ASX Listing Rule Disclosure;
- Shareholder Communication Strategy;
- Company's Risk Management Policy and Internal Compliance and Control System;
- Statement of process for performance evaluation of the Board, Board committees, individual directors and key executives;
- Remuneration Committee Charter; and
- Corporate Code of Conduct.

Explanations for departures from Best Practice Recommendations

During the Reporting Period the Company has complied with each of the Ten Essential Corporate Governance Principles and the corresponding Best Practice Recommendations, which can be found at the ASX Corporate Governance Council's website www.asx.com.au/about/CorporateGovernance_AA2.shtm , other than in relation to the matters specified below.

Principle Ref	BPR Ref	Notification of Departure	Explanation for Departure
2	2.1	Only the chairperson is independent.	The existing structure of the Company is considered appropriate given the early stage of development of the Company and the fact the Company's projects are all early exploration projects.
	2.4	There is no nomination committee.	The duties usually performed by a nomination committee are carried out by the full Board.
	3.1	A code of conduct was adopted on 29/06/04	Although no code was adopted prior to 29/06/04 the directors consider their conduct was as subsequently documented in the adopted code.
	3.2	A policy regarding trading in company securities was adopted on 29/06/04	Although no policy was adopted prior to 29/06/04 the directors all complied with the requirements of the subsequently documented policy.
	4.2	An audit committee was appointed on 16 September 2003	Prior to 16 September 2003 the full Board effected an internal review of the annual reports.
	4.3	The audit committee comprises 2 members, one of whom is quasi executive. The chairperson of the audit committee is also chairperson of the Company.	The Board considers, given the Company's present structure, the 2 member committee is able to carry out a proper review process.

TERM OF OFFICE OF EACH DIRECTOR

Name	Date of Appointment
Barry Bolitho	03 July 2003
Thomas Sanders	02 February 1994
Simon Coxhell	03 July 2003
Ian Macpherson	03 July 2003

IDENTIFICATION OF INDEPENDENT DIRECTORS

The independent director of the Company is Mr Barry Bolitho. Mr Ian Macpherson also satisfies the criteria of independence as agreed to by the Board albeit that a company which Mr Macpherson is associated with provides Company Secretarial services to Navigator Resources Ltd. The fees received for the service do not constitute a material portion of the total earnings of the service provider.

STATEMENT CONCERNING AVAILABILITY OF INDEPENDENT PROFESSIONAL ADVICE

Independent Professional Advice

If a director considers it necessary to obtain independent professional advice to properly discharge the responsibility of his/her office as a director then, provided the director first obtains approval for incurring such expense from the Chairman, the Company will pay the reasonable expenses associated with obtaining such advice.

NAMES OF NOMINATION COMMITTEE MEMBERS AND THEIR ATTENDANCE AT COMMITTEE MEETINGS

Nomination Committee responsibilities are carried out by the full board. The following table identifies directors who attended board meetings where nomination committee issues were considered.

Name	No. of meetings where nomination committee issues were considered	No. of relevant meetings attended
Barry Bolitho	1	1
Thomas Sanders	1	1
Simon Coxhell	1	1
Ian Macpherson	1	1

NAMES AND QUALIFICATIONS OF AUDIT COMMITTEE MEMBER

Mr Bolitho and Mr Macpherson are members of the audit committee.

Mr Bolitho has 27 years experience in the minerals industry. Mr Macpherson has 26 years experience as an accountant.

NUMBER OF AUDIT COMMITTEE MEETINGS AND NAMES OF ATTENDEES

Name	No. of meetings held	No. of meetings attended
Barry Bolitho	1	1
Ian Macpherson	1	1

During the Reporting Period the Audit Committee held one meeting. Mr Bolitho and Mr Macpherson both attended that audit committee meeting.

CONFIRMATION WHETHER PERFORMANCE EVALUATION OF THE BOARD AND ITS MEMBERS HAVE TAKEN PLACE AND HOW CONDUCTED

During the Reporting Period an evaluation of the Board and its members was carried out. The evaluation process comprised the Chairperson facilitating open discussions of the Board's performance over the financial year highlighting strengths and weaknesses.

COMPANY'S REMUNERATION POLICIES

Mr Bolitho as a non-executive chairman and Mr Macpherson as non-executive director receive directors fees of $24,000 and $18,000 respectively, per annum.

Mr Sanders and Mr Coxhell both receive a fixed salary for the executive services they provide to the Company. Details are set out on note 6 of this Annual Report.

Remuneration levels for executives are completely set to attract the most qualified and experienced candidates, taking into account prevailing market conditions and individual's experience and qualifications.

Each of the non-executive directors receives a fixed fee for their services as directors. There is no direct link between remuneration paid to any of the directors and corporate performance such as bonus payments for achievement of certain key performance indicators.

NAMES OF REMUNERATION COMMITTEE MEMBERS AND THEIR ATTENDANCE AT COMMITTEE MEETINGS

Remuneration Committee responsibilities are carried out by Mr Bolitho and Mr Macpherson. The following table identifies directors who attended board meetings where remuneration issues were considered.

Name	No of meetings held	No of meetings attended
Barry Bolitho	1	1
Ian Macpherson	1	1

EXISTENCE AND TERMS OF ANY SCHEMES FOR RETIREMENT BENEFITS FOR NON-EXECUTIVE DIRECTORS

There are no termination and retirement benefits for non-executive directors.

	Note	2004 $	2003 $
Revenue	2	267,499	754
Consulting and employee benefits expenses		(229,094)	(145,477)
Depreciation and amortisation expenses		(13,066)	(4,040)
Corporate costs		(74,074)	-
Exploration and development written off		-	(165,720)
Occupancy costs		(29,255)	-
Administration		(68,627)	(29,235)
(Loss) from ordinary activities before income tax benefit	3	(146,617)	(343,718)
Income tax relating to ordinary activities	4	-	-
(Loss) from ordinary activities after related income tax benefit	13	(146,617)	(343,718)
Basic earnings/(loss) per share (in cents)	5	(0.47)	(1.79)

The accompanying notes form part of these financial statements.

	Note	2004 $	2003 $
CURRENT ASSETS			
Cash assets	16(a)	1,891,393	7,300
Receivables and prepayments	7	48,151	92,111
TOTAL CURRENT ASSETS		1,939,544	99,411
NON CURRENT ASSETS			
Property, plant and equipment	8	71,511	11,444
Capitalised expenditure	9	889,004	
TOTAL NON CURRENT ASSETS		960,515	11,444
TOTAL ASSETS		2,900,059	110,855
CURRENT LIABILITIES			
Payables	10	233,667	893,560
Provisions	11	1,792	-
TOTAL CURRENT LIABILITIES		235,459	893,560
TOTAL LIABILITIES		235,459	893,560
NET ASSETS/(LIABILITIES)		2,664,600	(782,705)
EQUITY			
Contributed equity	12	4,051,724	457,802
Accumulated losses	13	(1,387,124)	(1,240,507)
TOTAL EQUITY/(DEFICIENCY)		2,664,600	(782,705)

The accompanying notes form part of these financial statements.

	Note	2004 $	2003 $
Cash flows from operating activities			
Interest received		72,727	754
Payments to suppliers and consultants		(202,366)	(177,099)
Payments for exploration and development		(769,708)	(155,528)
Payments for guarantees		(17,000)	-
Net cash used in operating activities	16(b)	(916,347)	(331,873)
Cash flows from investing activities			
Payments for property, plant and equipment		(78,082)	(523)
Net cash used in investing activities		(78,082)	(523)
Cash flows from financing activities			
Proceeds from borrowings – former parent entity		33,858	196,197
Proceeds from issue of shares		3,150,000	-
Fundraising costs		(305,336)	(18,538)
Net cash provided by financing activities		2,878,522	177,659
Net increase/(decrease) in cash held		1,884,093	(154,737)
Cash at beginning of financial year		7,300	162,037
Cash at end of financial year	16(a)	1,891,393	7,300

The accompanying notes form part of these financial statements.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The significant policies which have been adopted in the preparation of this financial report are:

(a) Basis of preparation

The financial report is a general purpose financial report which has been prepared in accordance with Accounting Standards, Urgent Issues Group Consensus views, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

It has been prepared on an accrual basis and on the basis of historical costs and except where stated, does not take into account changing money values or fair values of non-current assets.

Navigator Resources Limited is a public company listed on the Australian Stock Exchange. The Company was incorporated in and is domiciled in Australia.

These accounting policies have been consistently applied with those of the previous year.

(b) Revenue recognition

Revenues are recognised at fair value of the consideration received net of the amount of goods and services tax ("GST"). Exchanges of goods or services of the same nature and value without any cash consideration are not recognised as revenues.

Interest revenue

Interest revenue is recognised as it accrues, taking into account the effective yield of the financial asset.

Sale of non-current assets

The gross proceeds of non-current asset sales are included as revenue at the date control of the asset passes to the buyer, usually when an unconditional contract of sale is signed.

The gain or loss on disposal is calculated as the difference between the carrying amount of the asset at the time of disposal and the net proceeds on disposal.

(c) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office ("ATO"). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the item of the expense.

Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

Cashflows are included in the statement of cash flows on a gross basis. The GST components of cashflows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cashflows.

(d) Cash assets

For the purposes of the Statement of Cashflows, cash includes deposits which are readily convertible to cash on hand and which are used in the cash management function on a day-to-day basis, net of outstanding bank overdrafts.

(e) Property, plant & equipment

Property, plant and equipment are brought to account at cost less, where applicable, accumulated depreciation. The costs of all property, plant and equipment are depreciated over their estimated useful lives commencing from the time the assets are held ready for use.

(f) Acquisition of Assets

All assets acquired including property, plant and equipment and intangibles other than goodwill are initially recorded at their cost of acquisition at the date of the acquisition, being the fair value of the consideration provided, plus incidental costs directly attributable to the acquisition. When equity instruments are issued as consideration, their market price at the date of the acquisition is used as fair value except where the notional price at which they could be placed in the market is a better indication of fair value. Transaction costs arising on the issue of equity instruments are recognised directly in equity subject to the extent of proceeds received, otherwise expended.

(g) Depreciation and amortisation

Items of plant and equipment, are depreciated/amortised using the reducing balance method over their estimated useful lives as follows:

The depreciation and amortisation rates used for each class of assets are as follows:

	Range 2004	Range 2003
Furniture, fittings and office equipment	13% - 27%	13% – 27%
Exploration equipment	13% - 27%	13% – 27%

(h) Recoverable amount of non-current assets valued on cost basis

The carrying amounts of non-current assets valued on the cost basis, are reviewed to determine whether they are in excess of recoverable amount at balance date, except capitalised exploration expenditure. If the carrying amount of a non-current asset exceeds its recoverable amount, the asset is written down to the lower amount. The write-down is recognised as an expense in the net profit or loss in the reporting period in which it occurs.

Where a group of assets working together supports the generation of cash inflows, recoverable amount is assessed in relation to that group of assets.

In assessing recoverable amounts of non-current assets the relevant cash flows have not been discounted to their present value, except where specifically stated.

(i) Income tax

The Company adopts the income statement liability method of tax effect accounting.

Income tax expense is calculated on operating profit adjusted for permanent differences between taxable and accounting income. The tax effect of timing differences, which arise from items being brought to account in different periods for income tax and accounting purposes, is carried forward in the statement of financial positions as a future income tax benefit or a provision for deferred income tax.

Future income tax benefits are not brought to account unless realisation of the asset is assured beyond reasonable doubt. Future income tax benefits relating to tax losses are only brought to account when their realisation is virtually certain. The tax effect of capital losses is not recorded unless realisation is virtually certain.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the

Company will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by legislation.

(j) Leases

Operating leases

Lease payment for the operating leases, where substantially all the risks and benefits remain with the lessor are charged as expenses in the period in which they are incurred.

(k) Exploration and evaluation expenditure

Exploration and evaluation expenditure represents acquisition costs and direct net exploration costs incurred together with an appropriate portion of related overhead expenditure. This expenditure is carried forward in respect of each separate area of interest for which rights of tenure are current, only where such costs are expected to be recouped through successful development and economic exploitation of the area of interest.

All expenditure relating to activities in areas which have not yet reached a level which permits an assessment of the existence or otherwise of economically recoverable reserves is expensed as incurred (see also Note 3(a)) except that in the case of the acquisition of exploration tenements, these assets are brought to account in the statement of financial position in accordance with Urgent Issues Group Abstract 10.

(l) Receivables

Amounts receivable from third parties are carried at amounts due. The recoverability of the debts are assessed at balance date and specific provision is made for any doubtful accounts.

(m) Accounts payable

Liabilities are recognised for amounts to be paid in the future for goods or services received, whether or not billed to the Company. Trade accounts payable are normally settled within 45 days.

(n) International Financial Reporting Standards

Australia is currently preparing for the introduction of International Financial Reporting Standards (IFRS) effective for financial years commencing 1 January 2005. This requires the production of accounting data for future comparative purposes at the beginning of the next financial year. The economic entity's management, along with its auditors, are assessing the significance of these changes and preparing for their implementation. An IFRS committee has been established to oversee and manage the economic entity's transition to IFRS. We will seek to keep stakeholders informed as to the impact of these new standards as they are finalised. The directors are of the opinion that the key differences in the economic entity's accounting policies which will arise from the adoption of IFRS are:

Impairment of Assets

The company currently determines the recoverable amount of an asset on the basis of undiscounted net cash flows that will be received from the assets use and subsequent disposal. In terms of pending AASB 136: Impairment of Assets, the recoverable amount of an asset will be determined as the higher of fair value less costs to sell and value in use. It is likely that this change in accounting policy will lead to impairments being recognised more often than under the existing policy.

Income Tax

Currently, the economic entity adopts the liability method of tax-effect accounting whereby the income tax expense is based on the accounting profit adjusted for any permanent differences. Timing differences are currently brought to account as either a provision for deferred income tax or future income tax benefit. Under the Australian equivalent to IAS 12, the economic entity will be required to adopt a balance sheet approach under which temporary differences are identified for each asset and liability rather than the effects of the timing and permanent differences between taxable income and accounting profit.

Exploration Expenditure

AASB was informed by the International Accounting Standards Board (IASB) that at a recent meeting, the IASB decided to fully grandfather national GAAP, such as Australia's existing area of interest method of accounting for exploration costs, for both producers and exporters, until such time as the IASB produces a comprehensive extractive industry IFRS.

As soon as the IASB has incorporated this decision into its standards, the AASB will produce an Australian equivalent so as to allow extractive industry companies to take advantage of the grandfathering in their 2005 transition to Australian equivalents of IFRSs.

Hence under AASB 1047 requirements, it would be reasonable for companies in the extractive industries to disclose at 30 June 2004 that the impact of changes from the current AASB 1022 are not yet determinable due to the above issues.

		2004 $	2003 $
2.	**REVENUE**		
	Revenue from operating activities		
	Interest income	96,327	754
	Debt forgiven	165,027	
	Other revenue	6,145	-
	Total revenue from ordinary activities	267,499	754
3.	**(LOSS) FROM ORDINARY ACTIVITIES BEFORE INCOME TAX BENEFIT**		
(a)	**(Loss) from ordinary activities before income tax benefit has been arrived at after charging/(crediting) the following items:**		
	Depreciation of:		
	- exploration equipment	2,097	2,843
	- office furniture and equipment	10,969	1,197
	Exploration expenditure written off	-	165,720
4.	**TAXATION**		
(a)	The prima facie tax on profit/(loss) from ordinary activities is reconciled to the income tax provided for in the accounts as follows:		
	Prima facie tax expense/(benefit) on profit/loss from ordinary activities before income tax at 30%	(43,985)	(103,115)
	Future income tax benefit not brought to account	43,985	103,115
	Income tax benefit attributable to loss from ordinary activities	-	-

(b) Future income tax benefit not taken to account

	2004	2003
	$	**$**
The directors estimates that the potential future income tax benefit in respect of tax losses not brought to account at an income tax rate of 30% is:-	294,885	250,900

The potential future income tax benefit will only be obtained if:

(i) the company derives future assessable income of a nature and an amount sufficient to enable the benefit to be realised in accordance with Division 170 of the Income Tax Assessment Act 1997;

(ii) the company continues to comply with the conditions for deductibility imposed by the law; and

(iii) no changes in tax legislation adversely affect the company in realising the benefits.

5. EARNINGS /(LOSS) PER SHARE

Basic profit/(loss) per share (cents per share)	(0.47)	(1.79)
Weighted average number of ordinary shares used as the denominator	31,287,614	19,149,745

There are no dilutive potential ordinary shares therefore diluted EPS has not been calculated or disclosed.

6. DIRECTORS' AND SPECIFIED EXECUTIVES' REMUNERATION

(a) Directors' Remuneration

The names of directors who have held office during the financial period:

Tom Sanders (re-appointed 3 July 2003)

Simon Coxhell (re-appointed 3 July 2003)

Ian Macpherson (re-appointed 3 July 2003)

Barry Bolitho (re-appointed 3 July 2003)

Simon Farrell (resigned 3 July 2003)

Peter Cordin (resigned 3 July 2003)

The Company does not have any specified executives who are not directors of the Company.

Directors' Remuneration

2004	**Primary**	**Primary**	**Post Employment**	**Options**	**Equity**	**Other**	**Total**
	Salary & Fees	Other	Superannuation Contribution				
	$	$	$	$	$	$	$
Tom Sanders	133,940	17,239 (1)	8,627	70,000	70,000	-	299,806
Simon Coxhell	104,008	3,945 (1)	7,500	35,000	-	-	150,453
Ian Macpherson	13,500	-	-	-	70,000	65,621 (2)	149,121
Barry Bolitho	18,000	-	-	35,000	-	-	53,000
Total	269,448	21,184	16,127	140,000	140,000	65,621	652,380

(1) Fees payable to directors for hire of their motor vehicles

(2) Company secretarial and corporate advisory fees paid to Ord Corporate Pty Ltd, a company associated with Ian Macpherson.

(3) The fair value of the options is calculated at the date of grant using a Black – Scholes model and allocated to the current reporting period as no vesting interests.

(b) Options

Options Granted As Remuneration

	Granted Number	Grant Date	Value per Option at Grant Date $	First Exercise Price	Terms & Conditions for each Grant Exercise Date	Last Exercise Date
Directors						
Tom Sanders	2,000,000	19/09/03	0.035	20c	-	29/06/06
Simon Coxhell	1,000,000	19/09/03	0.035	20c	-	29/06/07
Barry Bolitho	1,000,000	19/09/03	0.035	20c	-	29/06/07
Total	4,000,000					

The fair value of the options is calculated at the date of grant using a Black – Scholes model and allocated to the current reporting period.

The following factors and assumptions were used in determining the fair value of options issued to Directors and specified executives on grant date:

Grant Date	Expiry Date	Fair Value Per Option	Exercise Date	Price of Shares on Grant Date	Estimated Volatility	Risk Fee Interest Rate	Dividend Yield
19/9/03	29/6/06	$0.07	$0.20	$0.20	50%	5.25%	0%
19/9/03	29/6/07	$0.07	$0.20	$0.20	50%	5.25%	0%

Options have been discounted by 50% to a fair value of $0.35 per option due to their limited liquidity, and non-transferability.

Estimated volatility approximates historic volatility. The estimate life of all options granted is three years. Each option entitles the holder to purchase one ordinary share in the Company.

(c) Shares Issued on Exercise of Remuneration Options

Options Granted As Remuneration
During the year there were no options exercised for options previously granted as remuneration to directors.

(d) Options and Rights Holdings

Number of options held by Specified Directors & Executives

The movement during the year of the number of options over ordinary shares in Navigator Resources Limited held directly, indirectly or beneficially, by each specified director, including their personally related entities, is as follows:

	Balance 1.7.03	Granted as Remun-eration	Purchases	Balance 30.6.04	Total Vested 30.6.04	Total Exercisable	Total Unexercis-able
Directors							
Tom Sanders	-	2,000,000	1,000,000	3,000,000	3,000,000	3,000,000	-
Simon Coxhell	-	1,000,000	-	1,000,000	1,000,000	1,000,000	-
Ian Macpherson	-	-	200,000	200,000	200,000	200,000	-
Barry Bolitho	-	1,000,000	-	1,000,000	1,000,000	1,000,000	-
Total	-	4,000,000	1,200,000	5,200,000	5,200,000	5,200,000	-

(e) Shareholdings

Number of Shares held by Specified Directors

The movement during the year in the number of ordinary shares of Navigator Resources Limited held directly, indirectly or beneficially, by each specified director including their personally related entities is as follows:

	Balance 1.7.03	Capital Reconstruction *	Remuneration	Purchases / Issues Pursuant to Listing	Balance 30.6.04
Specified Directors					
Tom Sanders	-	3,984,777	500,000	704,752	5,189,529
Simon Coxhell	-	113,096	-	-	113,096
Ian Macpherson	-	-	500,000	-	500,000
Barry Bolitho	-	59,006	-	-	59,006
Total	-	4,156,879	1,000,000	704,752	5,861,631

- The existing shares of 14,314,434 which were owned by Golden Valley Mines Ltd (GVM) before the initial public offer (IPO), were issued in specie to shareholders of GVM as returns of capital;

	2004 $	2003 $
6. AUDITORS' REMUNERATION		
Amounts received or due and receivable by the auditors of the Company for:		
– auditing/reviewing the accounts	8,369	6,000
– other	3,429	-
	11,798	6,000
7. RECEIVABLES		
CURRENT		
Other debtors	17,000	9,723
Prepayments and accrued income	31,151	82,388
	48,151	92,111

The Company does not charge or earn interest on debtor amounts.

	2004 $	2003 $
8. PROPERTY, PLANT & EQUIPMENT		
Furniture, fittings and office equipment at cost	57,486	4,517
Less: Accumulated depreciation	(12,436)	(1,467)
	45,050	3,050
Exploration equipment at cost	32,039	11,875
Less: Accumulated depreciation	(5,578)	(3,481)
	26,461	8,394
Total property, plant & equipment	71,511	11,444

Reconciliation of the carrying amount of each class of property, plant and equipment are set out below:	**2004**	**2004**
	$	**$**
Furniture, fitting and office equipment		
Carrying amount at the beginning of the year	3,050	4,247
Depreciation	(10,969)	(1,197)
Additions	52,969	-
Carrying amount at end of year	45,050	3,050
Exploration equipment at cost		
Carrying amount at the beginning of the year	8,394	10,714
Depreciation	(2,097)	(2,843)
Additions	20,164	523
Carrying amount at end of year	26,461	8,394

	2004	**2003**
	$	**$**
9. CAPITALISED EXPENDITURE		
Carried forward exploration expenditure	-	-
Expenditure capitalised during the year	889,004	-
Balance at end of year	889,004	-

The ultimate recoupment of costs carried forward for exploration and evaluation phases is dependent on the successful development and commercial exploitation or sale of the respective areas.

	Company	
	2004	**2003**
	$	**$**
10. PAYABLES		
CURRENT		
Trade Creditors	125,331	-
Other Creditors	7,335	-
Accruals	101,001	92,391
Borrowings – former parent entity	-	801,169
	233,667	893,560
11. PROVISIONS		
CURRENT		
Employee entitlements	1,792	-
Number of employees	1	-

12. CONTRIBUTED EQUITY

(a) Issued and paid up capital		
35,163,434 ordinary fully paid shares (2003: 14,313,434 ordinary fully paid shares)	4,051,724	457,802

	2004 Number	2004 $	2003 Number	2003 $
(b) Movements in contributed equity				
Opening Balance	14,313,434	457,802	21,000,000	457,802
Capital Reconstruction - 23 March 2003	-	-	(6,686,566)	-
Seed capital raising – 4 July 2003	1,500,000	150,000	-	-
Initial Public Offering – 11 Sep 2003	15,000,000	3,000,000	-	-
Shares issued to former parent entity – 11 Sept 2003	3,350,000	670,000	-	-
Shares issued to directors – 11 Sept 2003	1,000,000	140,000	-	-
Transaction costs relating to share issue	-	(366,078)		
Balance at end of year	35,163,434	4,051,724	14,313,434	457,802

On 4 July 2003 the Company issued 1,500,000 ordinary fully paid ordinary shares at $0.10 each to seed capitalists to raise $150,000.

On 11 September 2003 the Company completed its issue of 15,000,000 new ordinary shares to the public, at an issue price of $0.20 per share to raise a total of $3,000,000. The issue was completed pursuant to a prospectus lodged with the ASX, dated 16 July 2003.

On 11 September 2003 the Company issued 3,350,000 fully paid ordinary shares to extinguish in full a debt amounting to $670,000 owing to Golden Valley Mines Limited (the former parent entity). The remaining debt balance of $165,027 was forgiven by Golden Valley Mines Limited. The forgiveness of the debt was pursuant to a deed of release and subscription dated 15 July 2003 between Navigator Resources Limited and Golden Valley Mines Limited.

On 11 September 2003, 1,000,000 shares were issued in total to directors at deemed value of $0.14 each, being 500,000 to Tom Sanders, and 500,000 to Ian Macpherson. 2,000,000 options, exercisable on or before 29 June 2006 were issued to Tom Sanders for nil consideration, and 1,000,000 June 2007 share options were also issued to each of Barry Bolitho and Simon Coxhell for nil consideration.

As at 30 June 2004 the options outstanding are:

Date options granted	Expiry Date	Exercise Price	Number of Options
11 September 2003	30 June 2007	20 cents	15,000,000
11 September 2003	30 June 2006	20 cents	2,000,000
11 September 2003	29 June 2007	20 cents	2,000,000
			19,000,000

(c) Terms and conditions

Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders meetings. In the event of winding up of the Company, ordinary shareholders rank after all other shareholders and creditors and are fully entitled to any proceeds of liquidation.

	2004 $	2003 $
13. ACCUMULATED LOSSES		
Accumulated losses at the beginning of the financial year	(1,240,507)	(896,789)
Net (loss)	(146,617)	(343,718)
Accumulated losses at the end of the financial year	(1,387,124)	(1,240,507)

14. COMMITMENTS

(a) Exploration Expenditure Commitments

In order to maintain current rights of tenure to exploration tenements, the Company is required to perform minimum exploration work to meet the minimum expenditure requirements specified by various State governments. These obligations are not provided for in the financial report and are payable:

	2004 $	2003 $
Within one year	314,300	335,500
One year or later and no later than five years	942,900	835,500
	1,257,200	1,171,000

If the Company decides to relinquish certain leases and/or does not meet these obligations, assets recognised in the balance sheet may require review to determine the appropriateness of carrying values. The sale, transfer or farm-out of exploration rights to third parties will reduce or extinguish these obligations.

14: CAPITAL AND LEASING COMMITMENTS (Continued)

(b) Non Cancelled Operating Commitments

	2004 $	2003 $
Future operating lease commitments not provided for in the financial statements and payable:		
Within one year	24,760	24,760
One year or later and no later than five years	8,253	33,013
	33,013	57,773

The Company leases property and car parking bays under a non-cancellable operating lease expiring 31 October 2005. The lease provides the Company with a right of renewal at which time the terms will be renegotiated.

15. RELATED PARTIES

Directors

The names of Directors of the Company who have held office during the financial year are:-

P Cordin	Appointed 14 February 2002, resigned 3 July 2003
S Farrell	Appointed 14 February 2002, resigned 3 July 2003
T Sanders	(Continuing)
S Coxhell	Appointed 3 July 2003
I Macpherson	Appointed 3 July 2003

Directors' share transactions and holdings

The relevant interest of directors and their director related entities in the shares of the Company as at 30 June 2004 are set out below:

	Number
Tom Sanders	5,189,529
Simon Coxhell	113,096
Ian Macpherson	500,000
Barry Bolitho	59,006
	5,861,631

Transactions with related parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Office equipment totalling $11,990 was acquired from a director, Tom Sanders, during the year. The transaction was on an arm's length basis.

16. NOTES TO THE STATEMENT OF CASHFLOWS	**2004 $**	**2003 $**

(a) Reconciliation of cash

For the purposes of the statements of cash flows, cash includes cash on hand and at bank and short term deposits at call, net of outstanding bank overdrafts. Cash as at the end of the financial year as shown in the statements of cash flows is reconciled to the related items in the statement of financial position.

	2004 $	2003 $
Cash assets	1,891,393	7,300

Cash assets attract interest at a weighted average rate of 5.2% (2003: 2.7%).

(b) Reconciliation of loss from ordinary activities after income tax to net cash used in operating activities

	2004 $	2003 $
(Loss) from ordinary activities after income tax	(146,617)	(343,718)
Add/(less) non- cash items:		
Liabilities forgiven	(165,027)	-
Depreciation of property, plant and equipment	18,015	4,040
Change in assets and liabilities:		
Decrease in receivables & prepayments	60,960	28,654
(Decrease)/increase in operating creditors	(683,609)	(20,849)
Net cash used in operating activities	(916,347)	(331,873)

(c) Non-cash financing activities

On 17 September 2003 the Company issued 3,350,000 shares to extinguish a debt owing to GVM of $670,000. The settlement was pursuant to a deed of settlement between Navigator and GVM dated 15 July 2003.

17. SEGMENT INFORMATION

Navigator operated in the mining sector and in one geographical segment during the period, being Australia.

18. SUBSEQUENT EVENTS

On 27 September 2004, Navigator Resources Limited announced that a final agreement had been executed with Sons of Gwalia ("SGW") to acquire the Cardinia, Raeside and Mertondale gold projects in the Leonora area, in the Eastern Goldfields region of Western Australia. A total of 57 granted and pending mining, prospecting and miscellaneous leases were acquired.

The terms of purchase include the payment of $120,000 and the issue of one million shares in Navigator. The agreement also provides the Company with access to SGW's treatment facilities in the area subject to agreement at the time with SGW retaining the right to buy back up to a 60% interest on discoveries exceeding 250,000 ounces of gold.

Other than the matters detailed above, there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely in the opinion of the Directors of the Company, to affect significantly the operations of the Company, the results of those operations, or the state of affairs of the Company, in the future years.

19. FINANCIAL INSTRUMENTS

	Floating Interest Rate	Fixed rate 1 year or less	Non Interest Bearing	Total
2004	**$**	**$**	**$**	**$**
Financial Assets				
Cash Assets	323,089	1,568,304	-	1,891,393
Receivables	-	17,000	-	17,000
Total Financial Assets	323,089	1,585,304	-	1,908,393
Financial Liabilities				
Payables	-	-	(233,667)	(233,667)
Net Financial Assets (Liabilities)	323,089	1,585,304	(233,667)	1,674,726

Weighted average interest rate 5.2%

	Floating Interest Rate	Fixed rate 1 year or less	Non Interest Bearing	Total
2003	**$**	**$**	**$**	**$**
Financial Assets				
Cash Assets	7,300	-	-	7,300
Receivables	-	-	9,723	9,723
Total Financial Assets	7,300	-	9,723	17,023
Financial Liabilities				
Payables	-	-	(893,560)	(893,560)
Net Financial Assets (Liabilities)	7,300		(883,837)	(876,537)

Weighted average interest rate 2.7%

Reconciliation of net financial assets/(liabilities) to net assets /(liabilities)

	2004 $	2003 $
Net financial assets/(liabilities)	1,674,726	(876,537)
Prepayments	31,151	82,388
Property, plant and equipment	71,511	11,444
Capitalised exploration expenditure	889,004	-
Provisions	(1,792)	-
	2,664,600	(782,705)

Interest Rate Risks
The Company's exposure to interest rate risk is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates.

Credit Risk
The maximum exposure to credit risk at balance date is the carrying amount of those assets as disclosed in the statement of financial position and notes to the financial statements.

Net Fair Value
The net fair value of all assets approximates their carrying value.

20. CONTROLLED ENTITIES

Particulars in relation to controlled entities

Name	Ownership % 2004	2003
Parent Entity		
Navigator Resources Limited	-	-
Controlled Entities		
Mazelli Pty Ltd	100	-

Mazelli Pty Ltd was registered on 2 June 2004 and has one fully paid share on issue of $1.00 which is owned by Navigator Resources Limited. Mazelli Pty Ltd was a dormant company during the period. Consolidated accounts have not been prepared as Mazelli Pty Ltd is dormant and has no assets or liabilities.

In the opinion of the directors of Navigator Resources Limited ("the Company")

(a) the financial statements and notes set out on pages 9 to 24 are in accordance with the Corporations Act 2001, including:

  (i) giving a true and fair view of the financial position of the Company as at 30 June 2004 and of its performance, as represented by the results of its operations and its cash flows, for the year ended on that date; and

  (ii) complying with Accounting Standards in Australia and the Corporations Regulations 2001; and

(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.

Signed in accordance with a resolution of the Directors:

Tom Sanders - Managing Director

Date: 30th September 2004

STANTON PARTNERS

1 HAVELOCK STREET
WEST PERTH 6005
WESTERN AUSTRALIA

TELEPHONE: (08) 9481 3188

Facsimile: (08) 9321 1204

e-mail: australia@stanton.com.au

**INDEPENDENT AUDIT REPORT
TO THE MEMBERS OF
NAVIGATOR RESOURCES LIMITED**

SCOPE

The financial report and directors' responsibility
The financial report comprises the statement of financial position, statement of financial performance, statement of cashflows, accompanying notes to the financial statements, and the directors' declaration for Navigator Resources Limited (the Company), for the year ended 30 June 2004.

The directors of the Company are responsible for the preparation and true and fair presentation of the financial report in accordance with the *Corporations Act 2001*. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Audit approach
We conducted an independent audit in order to express an opinion to the members of the Company. Our audit was conducted in accordance with Australian Auditing Standards in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the *Corporations Act 2001*, including compliance with Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the Company's financial position, and of its performance as represented by the results of its operations and cash flows.

We formed our opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the directors.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

INDEPENDENCE

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements and the *Corporations Act 2001*.

AUDIT OPINION

In our opinion, the financial report of Navigator Resources Limited is in accordance with:

a) the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Company's financial position as at 30 June 2004 and of its performance for the period ended on that date; and

(ii) complying with Accounting Standards in Australia and the Corporations Regulations 2001; and

b) other mandatory professional reporting requirements in Australia.

STANTON PARTNERS

Stanton Partners

JVanDieren

J P Van Dieren
Partner

Perth, Western Australia
30th September 2004

ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES

The following additional information is required by the Australian Stock Exchange Ltd in respect of listed public companies only.

1. **Shareholding**

ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES

a. **Distribution of Shareholders Number**

Category (size of Holding)	Ordinary
1 – 1,000	1,091
1,001 – 5,000	475
5,001 – 10,000	252
10,001 – 100,000	345
100,001 – and over	52
	2,215

b. The number of shareholdings held in less than marketable parcels is 1,514 given a share value of 12.5 cents per share.

c. The names of the substantial shareholders listed in the holding company's register as at 16 September 2004 are:

Shareholder	Number Ordinary
Mr Thomas Steven Sanders	5,199,529
JP Morgan Nominees Australia Limited	1,660,751
Abbotsleigh Pty ltd	1,250,000

d. **20 Largest Shareholders — Ordinary Shares**

Name		Number of Ordinary Fully Paid Shares Held	% Held of Issued Ordinary Capital
1.	Mr Thomas S Sanders	5,199,529	14.79
2.	J P Morgan Nominees Australia Limited	1,660,751	4.72
3.	Abbotsleigh Pty Ltd	1,250,000	3.55
4.	Cambrian Mining Plc	800,000	2.28
5.	Clodene Pty Ltd	654,928	1.86
6.	National Nominees Limited	572,712	1.63
7.	Deepgreen Minerals Corporation Limited	536,383	1.53
8.	Onyx (WA) Pty Ltd	500,000	1.42
9.	Mr Ian K Macpherson	500,000	1.42
10.	Ringsford Pty Ltd	425,000	1.21
11.	Cambrian Mining Plc	407,964	1.16
12.	Jobi Pty Ltd	357,484	1.02
13.	Mr Ronal B Hawkins	350,000	1.00

ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES

14.	MHGD Pty Ltd	327,763	0.93
15.	Hal Walton Nominees Pty Ltd	300,000	0.85
16.	Detial Nominees Pty Limited	290,000	0.82
17.	Forbar Custodians Limited	265,845	0.76
18	Mrs Susanne Coultas	250,000	0.71
19.	Parkes Holdings Pty Ltd	250,000	0.71
20.	Glen Ayr Australia Pty Ltd	250,000	0.71
		15,148,359	43.08

ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES

e. **20 Largest Optionholders**

Name		Number of Options Held	% Held of Options
1.	J P Morgan Nominees Australia Limited	1,250,000	8.33
2.	Abbotsleigh Pty Ltd	1,250,000	8.33
3.	Mr Thomas S & Mrs Helen Sanders	1,000,000	6.67
4.	Mr Ivan V Steed	425,000	2.83
5.	Tricom Nominees Pty Ltd	300,000	2.00
6.	M & K Korkidas Pty Ltd	257,500	1.72
7.	Mr Ronal B Hawkins	250,000	1.67
8.	Mr Donald N Coultas	250,000	1.67
9.	Aldeburgh Pty Ltd	225,000	1.50
10.	Biotec International Pty Ltd	223,000	1.49
11.	Nodlaw Investments Pty Ltd	200,000	1.33
12.	Mr David A Lenigas	200,000	1.33
13.	Mr Andrew D Murdoch	200,000	1.33
14.	FATS Pty Ltd	200,000	1.33
15.	Jobi Pty Ltd	200,000	1.33
16.	Mr Robert S Ackerman	170,000	1.13
17.	Mr Ross B Erbert	150,000	1.00
18.	Mr John D Erbe	150,000	1.00
19.	Mr Leon K & Mrs Pauline G Mauritz	150,000	1.00
20.	Salltin Pty Ltd	150,000	1.00
		7,200,500	47.99

ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES

2. **Registers of securities are held at the following addresses**

Western Australia	Advanced Share Registry, Level 7, 200 Adelaide Terrace, East Perth, Western Australia.

3. **Stock Exchange Listing**

Quotation has been granted for all the ordinary shares of the company on all Member Exchanges of the Australian Stock Exchange Limited.

4. **Restricted Securities**

ASX Code	*Description*	*Number*	*Restricted to :*
NAV	Fully paid ordinary shares	3,413,763	19 September 2005
NAVO	Options expiring 30-06-06	2,000,000	19 September 2005
NAVO	Options expiring 29-06-07	2,000,000	19 September 2005

LEONORA TENEMENT SCHEDULE		
Tenement	*Equity/Comment*	
CARDINIA		
L37/106	100%	
L37/127	100%	
L37/128	100%	
L37/65	100%	
M37/86	100%	Subject to $1/t royalty after 10,000 oz
M37/88	100%	
M37/227	100%	
M37/277	100%	
M37/299	100%	
M37/300	100%	
M37/316	100%	
M37/317	100%	
M37/428	100%	
M37/594	100%	
M37/624	100%	
M37/625	100%	
M37/645	80%	
M37/646	80%	
M37/647	80%	
M37/648	80%	
M37/686	100%	
M37/688	100%	
M37/720	100%	
M37/1038	100%	
M37/1180	100%	
M37/1181	100%	
M37/1182	100%	
M37/1183	100%	
M37/1184	100%	
P37/4403	80%	
P37/4404	80%	
P37/4405	80%	
P37/4406	80%	
P37/4407	80%	
P37/5532	100%	
P37/5829	100%	
P37/6242	100%	
P37/6244	100%	
P37/6245	100%	
MERTONDALE		
M37/81	100%	Subject to $1/t royalty
M37/82 **	100%	Subject to $1/t royalty
M37/231	100%	Subject to $1/t royalty
M37/232	100%	Subject to $1/t royalty
M37/233	100%	Subject to $1/t royalty
M37/764	100%	

M37/1186	100%	
LEONORA TENEMENT SCHEDULE (Cont.)		
Tenement	*Equity/Comment*	
RAESIDE		
L37/77	100%	
L37/125	100%	
M37/256	100%	
M37/369 **	100%	Subject to $1/t royalty
M37/377	100%	Subject to $1/t royalty
M37/379	100%	Subject to $1/t royalty
P37/4046	100%	
OTHER AREAS		
M37/223**	100%	
ELA37/704	100%	
EAST KIMBERLEY TENEMENT SCHEDULE		
Tenement	*Equity/Comment*	
GLIDDEN		
E80/2359	100%	
WILLS CREEK		
E80/2351	100%	
E80/2754	100%	
LAURA RIVER		
E80/2523	100%	
E80/2552	100%	
E80/2610	100%	
CUMMINS RANGE		
E80/2232	100%	
E80/2725	100%	
EASTMAN		
E80/2936	100%	
E80/3152	100%	

Notes: ** M37/82, M37/223 and M37/369 subject to Plaint