



3 May 2012

The Manager
Company Announcements Office
Australian Stock Exchange Limited
PO Box H224 Australia Square
SYDNEY NSW 2000

Dear Sir/Madam

NOTICE OF EXTRAORDINARY GENERAL MEETING

Please find attached the Notice of Meeting, Explanatory Statement and Proxy Form for a General Meeting of the Company to be held at 9.30am on Tuesday, 5 June 2012 at The Celtic Club, 48 Ord Street, West Perth, Western Australia.

The Notice of Meeting, Explanatory Statement and Proxy Form was posted to shareholders today.

Yours sincerely

GERRY KACZMAREK
Company Secretary



NAVIGATOR RESOURCES LIMITED

ABN: 82 063 366 487

NOTICE OF EXTRAORDINARY GENERAL MEETING & EXPLANATORY STATEMENT

A PROXY FORM IS ENCLOSED

Date: 5 June 2012

Time: 9.30am (WST)

Place: The Celtic Club
48 Ord Street
West Perth, Western Australia, 6005

THIS IS AN IMPORTANT DOCUMENT. PLEASE READ IT CAREFULLY.

If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

CONTENTS PAGE

Notice of Extraordinary General Meeting	2
Agenda	2
Explanatory Statement	4
Glossary	9
Annexure A	11
Annexure B	13
Proxy Form	

TIME AND PLACE OF MEETING AND HOW TO VOTE

VENUE

The Extraordinary General Meeting will be held at 9.30am (WST) on Tuesday, 5 June 2012 at:

The Celtic Club
48 Ord Street
West Perth, Western Australia, 6005

YOUR VOTE IS IMPORTANT

The business of the Extraordinary General Meeting affects your shareholding and your vote is important.

HOW TO VOTE

You may vote by attending the meeting in person, by proxy or by authorised representative.

VOTING IN PERSON

To vote in person, attend the Extraordinary General Meeting on the date and at the place set out above.

VOTING BY PROXY

To vote by proxy, please complete and sign the enclosed Proxy Form and return by:

- (a) hand delivery to the Company's registered office at Ground Floor, 45 Richardson Street, West Perth WA 6005;
- (b) post to Navigator Resources Limited, PO Box 276, West Perth WA 6872;
- (c) facsimile to the Company on facsimile number (+61 8) 9226 5411; or
- (d) email to the Company at navigator@navigatorresources.com.au,

so that it is received not later than 9.30am (WST) on Sunday, 3 June 2012.

Proxy Forms received later than this time will be invalid.

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is hereby given that an Extraordinary General Meeting of Shareholders will be held at 9.30am (WST) on Tuesday, 5 June 2012 at The Celtic Club, 48 Ord Street, West Perth, Western Australia, 6005.

The Explanatory Statement to this Notice of Meeting provides additional information on matters to be considered at the Extraordinary General Meeting. The Explanatory Statement and the Proxy Form are part of this Notice of Meeting.

The Directors have determined pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001 (Cth)* that the persons eligible to vote at the Extraordinary General Meeting are those who are registered Shareholders of the Company at 9.30am (WST) on Sunday, 3 June 2012.

Terms and abbreviations used in this Notice of Meeting and Explanatory Statement are defined in the Glossary.

AGENDA

RESOLUTION 1 – RATIFICATION OF PRIOR ISSUE OF SHARES TO AU MINING LIMITED

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, the Shareholders ratify the allotment and issue of 118,000,000 shares in the Company to Au Mining Limited on the terms and conditions set out in the Explanatory Statement which accompanies the notice convening this meeting.”

Voting Exclusion Statement:

The Company will disregard any votes cast on this Resolution by any person who participated in the issue of the shares (being Au Mining Limited) and any associates of that person. However the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

RESOLUTION 2 – RATIFICATION OF PRIOR ISSUE OF SHARES TO YANDAL INVESTMENTS PTY LTD

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, the Shareholders ratify the allotment and issue of 8,000,000 shares in the Company to Yandal Investments Pty Ltd on the terms and conditions set out in the Explanatory Statement which accompanies the notice convening this meeting.”

Voting Exclusion Statement:

The Company will disregard any votes cast on this Resolution by any person who participated in the issue of the shares (being Yandal Investments Pty Ltd) and any associates of that person. However the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

RESOLUTION 3 – RATIFICATION OF PRIOR ISSUE OF UNDERWRITER OPTIONS TO SUB-UNDERWRITERS OF RIGHTS ISSUE

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the allotment and issue of 20,000,000 options to subscribe for fully paid ordinary shares in the Company to clients of Patersons Securities Limited who participated as sub-underwriters to the Rights Issue undertaken in August 2011, on the terms and conditions set out in the Explanatory Statement which accompanies the notice convening this meeting.”

Voting Exclusion Statement:

The Company will disregard any votes cast on this Resolution by any person who participated in the issue of the 20,000,000 Underwriter Options and any associates of any of those persons. However the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

RESOLUTION 4 – RATIFICATION OF PRIOR ISSUE OF OPTIONS TO RMB AUSTRALIA HOLDINGS LIMITED

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, the Shareholders approve the allotment and issue of up to 10,000,000 options to subscribe for fully paid ordinary shares in the Company to RMB Australia Holdings Limited, on the terms and conditions set out in the Explanatory Statement which accompanies the notice convening this meeting.”

Voting Exclusion Statement:

The Company will disregard any votes cast on this Resolution by any person who may participated in the issue (being RMB Australia Holdings Limited) and any associates of any of those persons. However the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

RESOLUTION 5 – ELECTION OF MR GUY REDVERS WALKER AS A DIRECTOR

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That Mr Guy Redvers Walker, being a Director of the Company who was appointed since the last general meeting, hereby retires in accordance with Rule 7.3(f) of the Company’s Constitution and, being eligible, offers himself for election, be elected as a Director of the Company.”

BY ORDER OF THE BOARD

GF Kaczmarek
Company Secretary

Dated: 2 May 2012

NAVIGATOR RESOURCES LIMITED

ABN: 82 063 366 487

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of Shareholders of Navigator Resources Limited in connection with the business to be conducted at the Extraordinary General Meeting to be held at 9.30am (WST) on Tuesday, 5 June 2012 at The Celtic Club, 48 Ord Street, West Perth, Western Australia, 6005.

At that meeting, Shareholders will be asked to pass resolutions:

- ratifying the prior issue of 126,000,000 shares to Au Mining Limited and Yandal Investments Pty Ltd, who each participated in a placement of shares made by the Company on 18 November 2011; and
- ratifying the prior issue of 20,000,000 options allotted to persons who participated as sub-underwriters to the Rights Issue completed in August 2011 pursuant to the Underwriting Agreement to that Rights Issue; and
- ratify the prior issue of 10,000,000 options allotted to RMB Australia Holdings Limited pursuant an agreement dated 6 July 2011 in connection with the restructure of the debt facility provided to the Company by RMB Australia Holdings Limited; and
- re-elect Mr Guy Redvers Walker as a director of the Company.

The purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions in the Notice of Meeting.

Short Explanation: An equity issue can be ratified by shareholders in accordance with ASX Listing Rule 7.4. This allows the company the flexibility to issue shares and options to subscribe for fully paid ordinary shares in the future up to the threshold of 15% of its total ordinary securities in any 12 month period. Please refer to the Explanatory Statement below for additional details.

This Explanatory Statement should be read in conjunction with the accompanying Notice of Meeting.

1. RESOLUTION 1 – RATIFICATION OF PRIOR ISSUE OF SHARES

1.1 General

On 18 November 2011, the Company announced the placement of 118,000,000 shares in the Company to Au Mining Limited.

1.2 Relevant ASX Listing Rules

Under ASX Listing Rule 7.4, an issue of securities made without approval under ASX Listing Rule 7.1 (which issue does not breach Rule 7.1) that is subsequently approved by shareholders is treated as having been made with approval for the purpose of ASX Listing Rule 7.1, thereby “refreshing” the Company’s 15% capacity to that extent.

1.3 Technical Information required under ASX Listing Rule 7.5

In accordance with ASX Listing Rule 7.5, the following information is provided in relation to the issue of the shares:

(a) The number of securities allotted

118,000,000 Shares.

(b) The price at which the securities were issued

2.5 cents per Share

(c) The terms of the securities

The Shares rank pari passu with all other fully paid ordinary Shares in the Company.

(d) The names of the allottees or the basis on which allottees were determined

Au Mining Limited;

(e) The use of the funds raised

The proceeds from the issue of the Shares were applied towards the Company's general working capital.

(f) A voting exclusion statement

A voting exclusion statement for Resolution 1 is included in the Notice of Meeting.

2. RESOLUTION 2 – RATIFICATION OF PRIOR ISSUE OF SHARES

2.1 General

On 18 November 2011, the Company announced the placement of 8,000,000 shares in the Company to Yandal Investments Pty Ltd.

2.2 Relevant ASX Listing Rules

Under ASX Listing Rule 7.4, an issue of securities made without approval under ASX Listing Rule 7.1 (which issue does not breach Rule 7.1) that is subsequently approved by shareholders is treated as having been made with approval for the purpose of ASX Listing Rule 7.1, thereby "refreshing" the Company's 15% capacity to that extent.

2.3 Technical Information required under ASX Listing Rule 7.5

In accordance with ASX Listing Rule 7.5, the following information is provided in relation to the issue of the shares:

(b) The number of securities allotted

8,000,000 Shares.

(b) The price at which the securities were issued

2.5 cents per Share

(c) The terms of the securities

The Shares rank pari passu with all other fully paid ordinary Shares in the Company.

(d) The names of the allottees or the basis on which allottees were determined

Yandal Investments Pty Ltd

(e) The use of the funds raised

The proceeds from the issue of the Shares were applied towards the Company's general working capital.

(f) A voting exclusion statement

A voting exclusion statement for Resolution 2 is included in the Notice of Meeting.

3. RESOLUTION 3 – RATIFICATION OF PRIOR ISSUE OF 20 MILLION OPTIONS TO SUB-UNDERWRITERS TO RIGHTS ISSUE

3.1 General

- (a) On 20 June 2011, the Company announced a rights issue to all eligible Shareholders. On 8 July 2011 the Company announced the final revised terms for the rights issue.
- (b) The rights issue entitled all eligible Shareholders to apply for seven (7) new Shares at an issue price of 2.0 cents each for every two (2) Shares they held at the Record Date together with one (1) free attaching New Option for every two (2) new Shares allotted (**Rights Issue**).
- (c) In accordance with the terms of the underwriting agreement dated 8 July 2011 between the Company and Patersons Securities Limited (**Underwriting Agreement**), the Company issued 20,000,000 Underwriter Options on 17 August 2011 to clients of Patersons Securities Limited from its available 15% placement capacity. These Underwriter Options were valued at the time, using the Black & Scholes Option Pricing Model, at 0.6 cents per Underwriter Option. The parameters applied to the model were 60% volatility and 4.75% risk free interest rate.

3.2 Relevant ASX Listing Rules

Under ASX Listing Rule 7.4, an issue of securities made without approval under ASX Listing Rule 7.1 (which issue does not breach Rule 7.1) that is subsequently approved by shareholders is treated as having been made with approval for the purpose of ASX Listing Rule 7.1, thereby "refreshing" the Company's 15% capacity to that extent.

3.3 Technical Information required under ASX Listing Rule 7.5

In accordance with ASX Listing Rule 7.5, the following information is provided in relation to ratifying the issue of Underwriter Options to the sub-underwriters to the Rights Issue:

(a) The number of securities allotted

20,000,000 Underwriter Options.

(b) The price at which the securities were issued

No premium was payable for the issue of the Underwriter Options. The Underwriter Options were issued by the Company as part of the consideration to the sub-underwriters for their commitment to take up their portion of the Rights Issue shortfall.

(c) The terms of the securities

The Underwriter Options are subject to the terms and conditions set out in Annexure A. These are the same terms and conditions that apply to the options issued under the Rights Issue and are currently listed on the ASX under the Code: NAVOB.

(d) The names of the allottees or the basis on which allottees were determined

The Underwriter Options were issued to clients of Patersons Securities Limited who were sub-underwriters of the Rights Issue.

(e) The intended use of the funds raised

The proceeds from the exercise of Underwriter Options will be applied towards the Company's general working capital.

(f) A voting exclusion statement

A voting exclusion statement for Resolution 3 is included in the Notice of Meeting.

4. RESOLUTION 4 – RATIFICATION OF THE PRIOR ISSUE OF OPTIONS TO RMB AUSTRALIA HOLDINGS LIMITED

4.1 General

- (a) RMBAH previously provided a secured cash advance facility (**Facility**) to the Company under a facility agreement dated 30 September 2009 between the Company as borrower, Navigator Mining Pty Ltd as guarantor, Navigator (Bronzewing) Pty Ltd as Guarantor, RMBAH as the financier and RMB as agent, as amended (**Facility Agreement**). The Facility was due to be repaid in full by 30 June 2011.
- (b) By a letter agreement dated 6 July 2011 (**Extension Letter**), RMBAH agreed to restructure the Facility as follows:
- (1) a repayment of \$3,105,322.85 to be paid on or before 18 August 2011;
 - (2) subject to paragraph (3) below, 50% of any amount raised by the Company under the Rights Issue in excess of \$15.0 million gross must be applied in debt reduction by payment to RMBAH on 18 August 2011;
 - (3) if the Rights Issue raises more than \$30.1 million gross, the Facility is repayable in full on 18 August 2011;
 - (4) 50% of any amount outstanding under the Facility after 18 August 2011 (that is, after the payments in paragraphs (1) and (2) above have been made) must be repaid on 31 March 2012 and the remaining 50% to be repaid on 30 June 2012; and

- (5) the interest rate payable under the Facility is now BBSW plus 7.0% (prior to the Extension Letter, the interest rate was BBSW plus 5.0%) on and from 24 June 2011.
- (c) The Company was also required to issue Options to RMBAH or its nominee which were either, at the Company's election:
 - (1) the greater of 20,000,000 listed Options (which are to have the same terms and conditions as the New Options) or twelve (12) listed Options per \$1.00 of debt outstanding as at 18 August 2011; or
 - (2) the greater of 10,000,000 unlisted Options (which have an exercise price of 2.1 cents, equal to 5% above the Rights Issue price and a term of five (5) years) or seven (7) unlisted Options per \$1.00 of debt outstanding as at 18 August 2011, **(Extension Options)**.
- (d) The Facility was repaid in full on 18 August 2011.
- (e) The Company issued 10,000,000 Extension Options to RMBAH on 19 August 2011 under its 15% placement capacity.

4.2 Relevant ASX Listing Rules

Under ASX Listing Rule 7.4, an issue of securities made without approval under ASX Listing Rule 7.1 (which issue does not breach Rule 7.1) that is subsequently approved by shareholders is treated as having been made with approval for the purpose of ASX Listing Rule 7.1, thereby "refreshing" the Company's 15% capacity to that extent.

4.3 Technical Information required under ASX Listing Rule 7.5

In accordance with ASX Listing Rule 7.5, the following information is provided in relation to ratifying the issue of the Extension Options to RMBAH:

(a) The number of securities allotted

10,000,000 Extension Options.

(b) The price at which the securities were issued

No premium was payable by RMBAH for the issue of the Extension Options. These Extension Options were issued by the Company as part of the consideration for the Extension Letter.

(c) The terms of the securities

The Extension Options have an exercise price equal to 2.1 cents, being 5% above the Rights Issue price for new Shares, and a term of five (5) years and are subject to the further terms and conditions set out in Annexure B.

(d) The names of the allottees or the basis on which allottees were determined

The Extension Options were issued to RMBAH.

(e) The intended use of the funds raised

If any Extension Options are exercised by RMBAH, the exercise proceeds will be applied towards the Company's general working capital.

(f) A voting exclusion statement

A voting exclusion statement for Resolution 4 is included in the Notice of Meeting.

5. RESOLUTION 5 – ELECTION OF MR GUY REDVERS WALKER AS A DIRECTOR

Mr Guy Redvers Walker was appointed as a Director on 17 February 2012 in accordance with Rule 7.2(b) of the Constitution, which allows the Board to appoint a person as a Director.

In accordance with Rule 7.3(f) of the Company's Constitution, a Director appointed during the year must retire at the next general meeting of the Company. Therefore, Mr Walker must retire at this meeting and, being eligible, offers himself for re-election as a Director of the Company.

Mr Walker has a Bachelor of Commerce and Administration from Victoria University in Wellington and has over 20 years experience in financial markets and funds management in NZ, North America and the UK. He is a former Chief Operating Officer of Talisman Global Asset Management Limited and former Group Treasurer of the William Pears Group. He is a member of the Institute of Directors in NZ, the NZ Institute of Chartered Accountants and the CFA Institute. Guy is a director of London listed Metals Exploration plc and is the Company Secretary of Au Mining Limited, which is one of the Company's largest shareholders.

Your Directors have reviewed the necessary competencies of the Board members and each candidate's contribution to the Board and unanimously recommend that Shareholders vote in favour of Mr Walker's election.

GLOSSARY

\$ means Australian dollars.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited.

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day and any other day that ASX declares is not a business day.

Company means Navigator Resources Limited (ABN 82 063 366 487).

Constitution means the Company's constitution.

Corporations Act means the *Corporations Act 2001 (Cth)*.

Director(s) means the current director(s) of the Company.

Equity Securities has the same meaning as in the ASX Listing Rules.

Explanatory Statement means the explanatory statement accompanying the Notice of Meeting.

Extension Option is defined in paragraph 4.1(c)(2) of the Explanatory Statement, all of which are subject to the terms and conditions set out in Annexure B.

Extraordinary General Meeting means the meeting convened by this Notice of Meeting.

Facility is defined in paragraph 4.1(a) of the Explanatory Statement.

Facility Agreement is defined in paragraph 4.1(a) of the Explanatory Statement.

Notice of Meeting or **Notice of Extraordinary General Meeting** means this notice of extraordinary general meeting including the Explanatory Statement.

Option means an option to acquire a Share.

Optionholder means a holder of an Option including the holder of an Underwriter Option or an Extension Option, as the case may be.

Resolutions means the resolutions set out in the Notice of Meeting, or any one of them, as the context requires.

Rights Issue is defined in paragraph 3.1(b) of the Explanatory Statement.

RMB means RMB Resources Limited ACN 074 930 715.

RMBAH means RMB Australia Holdings Limited ACN 003 201 214.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.

Underwriting Agreement is defined in paragraph 3.1(c) of this Explanatory Statement.

Underwriter Options means options to subscribe for Shares to be issued on the terms and conditions set out in Annexure A to this Explanatory Statement and further defined in paragraph 3.1(c) of the Explanatory Statement.

WST means Western Standard Time as observed in Perth, Western Australia.

ANNEXURE A – TERMS AND CONDITIONS OF UNDERWRITER OPTIONS

The Underwriter Options entitle the holder to subscribe for Shares on the following terms and conditions:

1. Each Underwriter Option will have an exercise price of 4.0 cents (**Exercise Price**).
2. Each Underwriter Option will automatically lapse if not exercised on or before 31 July 2014 (**Expiry Date**).
3. The Underwriter Options have been listed on the ASX and are part of the same class of securities as are quoted under ASX Code: NAVOB.
4. Each Underwriter Option shall entitle the holder to subscribe for and be allotted one (1) ordinary share in the capital of the Company upon exercise of that Option and payment to the Company of the Exercise Price.
5. An Underwriter Option may be exercised by the Optionholder at any time prior to the Expiry Date by sending a completed and signed notice of exercise, together with the payment of the Exercise Price and the certificate for the Underwriter Option to the Company. The Underwriter Options may be exercised in whole or in part.
6. A notice of exercise is only effective when the Company has received the full amount of the Exercise Price in cash or cleared funds.
7. Subject to any restrictions in the ASX Listing Rules, within ten (10) Business Days of receipt of a properly executed notice of exercise and the required exercise moneys, the number of ordinary shares specified in the notice will be allotted.
8. Ordinary shares allotted pursuant to the exercise of the Underwriter Options will rank equally with the then issued ordinary shares of the Company.
9. The Company undertakes to apply for official quotation by the ASX of all ordinary shares allotted pursuant to the exercise of any Underwriter Options, within ten (10) Business Days of the date of allotment of those new ordinary shares.
10. There will be no participating entitlements inherent in the Underwriter Options to participate in new issues of capital which may be offered to Shareholders during the currency of the Underwriter Options. Prior to any new pro rata issue of securities to Shareholders, holders of Underwriter Options will be notified by the Company and will be afforded at least six (6) Business Days before the relevant record date (to determine entitlements to the issue), to exercise the Underwriter Options.
11. In the event of any reorganisation (including consolidation, subdivision, reduction, cancellation or return) of the issued capital of the Company before the expiry of any Underwriter Options, all rights of the Optionholder will be changed to the extent necessary to comply with the ASX Listing Rules applying to a reorganisation of capital at the time of the reorganisation.
12. If from time to time before the expiry of the Underwriter Options the Company makes an issue of Shares to Shareholders by way of a bonus issue, other than in lieu of a dividend payment, then upon exercise of an Underwriter Option the Optionholder will be entitled to have issued to it (in addition to the ordinary shares which it is otherwise entitled to have issued to it upon such exercise) additional Shares. The number of additional Shares is the number of Shares which would have been issued to the Optionholder if the Underwriter Options had been exercised before the record date for the bonus issue.
13. The Underwriter Options do not confer the right to a change in Exercise Price, or a change to the number of underlying securities over which it can be exercised, other than under paragraphs (10) and (11) above.
14. To the extent that any of these terms and conditions are inconsistent or different in any way from any provision of the ASX Listing Rules in respect of options to subscribe for ordinary shares in companies listed on the ASX, the ASX Listing Rules prevail.

ANNEXURE B – TERMS AND CONDITIONS OF RMBAH OPTIONS

The Extension Options issued to RMBAH entitle the holder (RMBAH) to subscribe for Shares on the following terms and conditions:

1. Each Extension Option has an exercise price of 2.1 cents (**Exercise Price**).
2. Each Extension Option will automatically lapse if not exercised on or before 19 August 2016 (**Expiry Date**).
3. Each Extension Option shall entitle the holder to subscribe for and be allotted one (1) ordinary share in the capital of the Company upon exercise of that Option and payment to the Company of the Exercise Price.
4. An Extension Option may be exercised by the Optionholder at any time prior to the Expiry Date by sending a completed and signed notice of exercise, together with the payment of the Exercise Price and the certificate for the Extension Option to the Company. The Extension Options may be exercised in whole or in part.
5. A notice of exercise is only effective when the Company has received the full amount of the Exercise Price in cash or cleared funds.
6. Subject to any restrictions in the ASX Listing Rules, within ten (10) Business Days of receipt of a properly executed notice of exercise and the required exercise moneys, the number of ordinary shares specified in the notice will be allotted.
7. Ordinary shares allotted pursuant to the exercise of the Extension Options will rank equally with the then issued ordinary shares of the Company.
8. The Company undertakes to apply for official quotation by the ASX of all ordinary shares allotted pursuant to the exercise of any Extension Options, within ten (10) Business Days of the date of allotment of those new ordinary shares.
9. There will be no participating entitlements inherent in the Extension Options to participate in new issues of capital which may be offered to Shareholders during the currency of the Extension Options. Prior to any new pro rata issue of securities to Shareholders, holders of Extension Options will be notified by the Company and will be afforded at least six (6) Business Days before the relevant record date (to determine entitlements to the issue), to exercise the Extension Options.
10. In the event of any reorganisation (including consolidation, subdivision, reduction, cancellation or return) of the issued capital of the Company before the expiry of any Extension Options, all rights of the Optionholder will be changed to the extent necessary to comply with the ASX Listing Rules applying to a reorganisation of capital at the time of the reorganisation.
11. If from time to time before the expiry of the Extension Options the Company makes an issue of Shares to Shareholders by way of a bonus issue, other than in lieu of a dividend payment, then upon exercise of an Extension Option the Optionholder will be entitled to have issued to it (in addition to the ordinary shares which it is otherwise entitled to have issued to it upon such exercise) additional Shares. The number of additional Shares is the number of Shares which would have been issued to the Optionholder if the Extension Options had been exercised before the record date for the bonus issue.
12. The Extension Options do not confer the right to a change in Exercise Price, or a change to the number of underlying securities over which it can be exercised, other than under paragraphs (10) and (11) above.
13. To the extent that any of these terms and conditions are inconsistent or different in any way from any provision of the ASX Listing Rules in respect of options to subscribe for ordinary shares in companies listed on the ASX, the ASX Listing Rules prevail.

**NAVIGATOR RESOURCES LIMITED****ABN: 82 063 366 487****PROXY FORM**

Company Secretary, Navigator Resources Limited
PO Box 276, WEST PERTH WA 6872
Ph: +61 8 9226 5311; Fax: +61 8 9226 5411

<HOLDER INFORMATION LINE 1>
<HOLDER INFORMATION LINE 2>
<HOLDER INFORMATION LINE 3>
<HOLDER INFORMATION LINE 4>

EXTRAORDINARY GENERAL MEETING

I/We

being a member(s) of Navigator Resources Limited and entitled to attend and vote at the Extraordinary General Meeting, hereby appoint

(Name of proxy)

or failing the person/body corporate so named or, if no person/body corporate is named, the Chair of the Extraordinary General Meeting to vote in accordance with the following directions, or, if no directions have been given, as the proxy sees fit, at the Extraordinary General Meeting of the Company to be held at 9.30am (WST) on Tuesday, 5 June 2012 at The Celtic Club, 48 Ord Street, West Perth, Western Australia (and at any adjournment thereof). If no directions are given and the proxy is the Chair of the Extraordinary General Meeting, the Chair will vote in favour of all of the Resolutions.

Voting on Business of the Extraordinary General Meeting

Please indicate your voting intentions by placing an X in the appropriate box.

	FOR	AGAINST	ABSTAIN
Resolution 1 – Ratification of Prior Issue of Shares to Au Mining Limited	☐	☐	☐
Resolution 2 – Ratification of Prior Issue of Shares to Yandal Investments Pty Ltd	☐	☐	☐
Resolution 3 – Ratification of prior issue of Options to Sub-Underwriters of Rights Issue	☐	☐	☐
Resolution 4 – Ratification of Prior Issue of Options to RMB Australia Holdings Ltd	☐	☐	☐
Resolution 5 – Elect Mr Guy Redvers Walker as a Director	☐	☐	☐

OR☐

Place an X in the box if the Chair of the Extraordinary General Meeting is appointed as your proxy, or may be appointed by default, and you do **not** wish to direct your proxy how to vote as your proxy in respect of the Resolutions.

By marking this box, you acknowledge that the Chair of the Extraordinary General Meeting may exercise your proxy even if he has an interest in the outcome of the Resolutions and that votes cast by the Chair of the Extraordinary General Meeting for the Resolution other than as proxy holder will be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy how to vote, the Chair will not cast your votes on the Resolution and your votes will not be counted in calculating the required majority if a poll is called on the Resolution.

If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

If two proxies are being appointed, the proportion of voting rights this proxy represents is _____ %.

Signed this _____ day of _____ 2012

By:**Individuals and joint holders****Companies (affix common seal if appropriate)**

INSTRUCTIONS FOR COMPLETING 'PROXY FORM'

1. A member entitled to attend and vote at a general meeting is entitled to appoint not more than two (2) proxies to attend and vote on a poll on their behalf. The appointment of a second proxy must be done on a separate copy of the Proxy Form. If two (2) proxies are appointed, each proxy must be allocated a proportion of the member's voting rights. If a member appoints two (2) proxies and the appointment does not specify this proportion, each proxy may exercise half (½) the votes. A duly appointed proxy need not be a member of the Company.
2. Where a member's holding is in one (1) name the holder must sign the Proxy Form. Where the holding is in more than one (1) name, all members should sign.
3. Where a Proxy Form or form of appointment of corporate representative is lodged and is executed under a power of attorney, the power of attorney must be lodged in like manner as this Proxy Form.
4. Corporate members should comply with the execution requirements set out on the Proxy Form or otherwise with the provisions of Section 127 of the Corporations Act. Section 127 of the Corporations Act provides that a company may execute a document without using its common seal if the document is signed by:
 - ◆ two (2) directors of the company;
 - ◆ a director and a company secretary of the company; or
 - ◆ for a proprietary company that has a sole director who is also the sole company secretary – that director.

For the Company to rely on the assumptions set out in Section 129(5) and (6) of the Corporations Act, a document must appear to have been executed in accordance with Section 127(1) or (2). This effectively means that the status of the persons signing the document or witnessing the affixing of the seal must be set out and conform to the requirements of Section 127(1) or (2) as applicable. In particular, a person who witnesses the affixing of a common seal and who is the sole director and sole company secretary of the company must state that next to his or her signature.

5. Completion of a Proxy Form will not prevent individual members from attending the Extraordinary General Meeting in person if they wish. Where a member completes and lodges a valid Proxy Form and attends the Extraordinary General Meeting in person, then the proxy's authority to speak and vote for that member is suspended whilst the member is present at the Extraordinary General Meeting.
6. To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
 - ◆ hand delivery to the Company's registered office at Ground Floor, 45 Richardson Street, West Perth 6005; or
 - ◆ post addressed to Navigator Resources Limited, PO Box 276, West Perth WA 6872; or
 - ◆ facsimile at +61 8 9226 5411; or
 - ◆ email to navigator@navigatorresources.com.au,

so that it is received not later than 9.30am (WST) on Sunday, 3 June 2012.

Proxy forms received later than this time will be invalid.