



**INVESTIGATOR
RESOURCES
LIMITED**



30 November 2017

Chairman's Address at Annual General Meeting

Ladies and Gentlemen,

Welcome to the Investigator Resources Limited Annual General Meeting. In this, my first address as Chairman, I will present my view of the situation of the Company in the current market and will outline a vision for the future.

Investigator in the Current Market

The Acorn Microcap Resources Index which captures the market capitalisation of about 600 ex-250 resource companies rose 2.9% in the 2017 financial year, and since 1 July 2017 to the present has risen 21.1%. The Investigator share price tracked the index until early June 2017 but has not shared in the subsequent rise. Notwithstanding the inherent volatility in microcap resources index this performance is, in my opinion, attributable to the following factors:

1. The fall in the silver price from approximately US\$20/oz in July 2016 to about US\$17/oz today.
2. The delay in progressing the Paris metallurgical study.
3. The ambiguous results from the Nankivel drilling programme.
4. The absence of exposure to industrial battery commodities such as lithium, cobalt and graphite which have driven the market recently on a view of future energy technology.
5. The current capital raising, to be completed tomorrow, which needed to be priced at a significant discount to the prevailing price of \$0.026/share.

The Paris Project

The major positive for the financial year was the upgrading of the Paris silver resource after a 25m spaced drilling programme completed in late 2016. Paris is arguably the premier pure silver deposit in Australia in terms of grade and potential. The revised resource added tonnage (+5%), higher silver grade (+20% to 139 g/t) and contained silver (+20%). The last reflects greater confidence from our resource consultants and implies that further closer-spaced drilling should result in further upgrades both in tonnage and grade.

Paris is a Project rather than an exploration event.

The "Greenfields" Conundrum

Investigator has its roots in greenfields exploration, and it is a tribute to John Anderson and his team to have discovered the Paris deposit on the basis of very sparse physical indications of its presence.

However in the past decade exploration success specifically in Australia for precious and base metals has come essentially from brownfields exploration. Only the outstanding Nova nickel discovery in the Fraser Range of Western Australia in 2012 could be construed as a greenfields discovery and it produced a boom in exploration in the adjacent geological terrane. The lack of exploration success subsequently, despite a large investment, is in stark contrast to the discovery of Nova. While small companies can commit to high risk exploration based on geological concept, greenfields success is elusive and the drill shows the limits of geological models and continues to humble us. It reminds us that luck is large factor in this strategy.

I am of the view that in consideration of the maturity of Australian exploration and the extreme geological risk entailed therein, while acknowledging the high rewards potentially accruing to discovery, greenfields exploration is, in general, not the space for small companies such as Investigator to sole risk. The help of government or big companies is needed to mitigate this risk.

Considering the foregoing, the short and long term aims of our Company are as follows:

- 1. Seek to bring the Paris silver Project into production:** *A priori* the current resource will be the basis for taking the Paris Project to a Preliminary Feasibility Study ('PFS') to be delivered in 2018. Metallurgical studies are in progress and water resources reasonably assured. While a viable silver project seems a reasonable outcome based on the current Paris resource, a relatively short mine life and the metallurgical complexity in mining a partially oxidised silver resource present significant risks. Silver projects often require bespoke metallurgical solutions. Hence, in order to reduce this risk, we have launched a geophysical and RC drilling programme to enhance the Paris silver resource with an aspirational target of 1 million gold equivalent ounces, a 28 million ounce increase on the current silver resource. Success in this enterprise will reduce risk in the PFS by adding to mine life and mitigating commissioning risk.
- 2. Bring the Nankivel Project to a logical conclusion:** The 2017 Nankivel drilling programme was based on a Proterozoic porphyry copper-gold model. It was a technical success but has failed to find valuable metal values. Efforts to find a joint venture partner have been frustrating to this point but again reflect perceived high geological risk. However, a review of the Nankivel drilling programme has shown there is some unfinished business, namely the Trojan IP anomaly. In the absence of a funding partner, we will determine the source of this anomaly. To this end we will undertake a 750m Reverse Circulation drilling programme in early 2018. It is to be hoped that the result will be definitive rather than ambiguous, and will allow us to commit to the Nankivel geological model through joint venture, or move on.
- 3. Develop the technical base of the Maslins Project and farm-out:** We will firm up the known Magneto-Telluric anomaly and seek a joint venture partner to undertake the drilling programme required to mitigate the geological risk.
- 4. Generate projects with lower geological risk:** We will seek opportunistic additions to the exploration portfolio which are of an advanced exploration status.

- 5. Use the technical capability of the Company to generate projects to feed into the joint venture market:** The science-based methodology employed in the past by Investigator can generate and define greenfields exploration potential. There is a place for this in our future based on a policy of farming-out the high risk drilling phase for deeply buried prospects at the limit of geological and geophysical prediction.

This strategy is designed to be a more market-driven approach which will reward our shareholders more immediately.

In conclusion, I would like to acknowledge the contributions of David Jones, recently retired from the Board, for his steady contribution to our Company over the past 10 years. I would also like to thank the Investigator technical team for their efforts in 2017 in making sense of a challenging geological environment. Their disciplined contribution to the Paris 2016 drilling programme and the presentation of the data to the resource consultants was exceptional in my view.

David Ransom
Chairman