

INVESTIGATOR RESOURCES LIMITED

ABN 90 115 338 979

HALF YEAR FINANCIAL REPORT

FOR THE HALF YEAR ENDED 31 DECEMBER 2017



CORPORATE DIRECTORY

DIRECTORS

D.M. Ransom – Chairman)
J. A. Anderson - Managing Director
B. E. Foy - Non-Executive Director
K.J. Wilson – Non-Executive Director)
- (Appointed 15 September 2017
D.G. Jones - Non-Executive Director
- (Retired 18 September 2017)

AUSTRALIAN BUSINESS NUMBER

90 115 338 979

COMPANY SECRETARY

M. A. Gaudio

ASX Code: IVR

REGISTERED OFFICE

18 King Street
Norwood SA 5067
Website: www.investres.com.au

SHARE REGISTRY

Computershare Limited
Level 5, 115 Grenfell Street
Adelaide SA 5000

SOLICITORS

MSM Legal
11-13 Gilbert Street
Adelaide SA 5000

AUDITOR

Grant Thornton Audit Pty Ltd
Level 3, 170 Frome Street
Adelaide SA 5000

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INVESTIGATOR RESOURCES LIMITED

and its controlled entities

ABN 90 115 338 979

DIRECTORS' REPORT

Your Directors submit their report for the half year ended 31 December 2017.

Directors

The names of the Company's Directors in office during the half year and until the date of this report are set out below. All Directors held office for the whole of the period.

D.M. Ransom – Chairman
J. A. Anderson - Managing Director
B. E. Foy - Non-Executive Director
K.J. Wilson – Non-Executive Director (Appointed 15 September 2017)
D.G. Jones - Non-Executive Director (Retired 18 September 2017)

Review of Operations and Financial Results

The Company recorded a profit for the half year ended 31 December 2017 of \$68,351 (2016: loss of \$1,152,762).

The profit includes an estimated Research and Development tax concession (R&D) of \$785,139 recognised, together with written off exploration and evaluation expenditure of \$88,016 following the decision taken not to continue with exploration at the Tumby Bay tenement on the Eyre Peninsula, in South Australia and capitalised project generation expenditures. The R&D claim has yet to be finalised but will be lodged prior to the deadline of 30 April 2018.

During the half year the company raised net funds \$3,158,343 (after costs) through a placement of 109,090,910 ordinary shares to sophisticated investors completed on 25 October 2017, and 45,454,545 ordinary shares to participating shareholders as a Share Purchase Plan completed on 7 December 2017.

During the period the Company incurred \$1,135,438 expenditure on exploration activities at the Company's tenements.

The main activities during the half year included:

- **Paris silver project** – The Paris Pre-Feasibility Study ('PFS') is progressing with positive groundwater source and comminution results to date. A flotation/leach Metallurgical study is nearing completion with results due later in the March 2018 quarter. Preliminary high-level open-pit optimisation for the 2017 upgraded mineral resource has been undertaken.

A Paris silver expansion program with twenty five RCP holes completed for 2,688m in December aiming to find additional resources to build the 42Moz Paris resource. Induced Polarisation ("IP") surveying of satellite silver prospects commenced in December 2017 with February 2018 completion ahead of scheduled drill follow-up in March-April.

- **Nankivel copper-gold prospect** – Following the final heritage approvals received in mid-December 2017, the drill testing of the large Trojan IP geophysical target was undertaken in mid-February 2018. Three 400m-spaced reverse circulation percussion ('RCP') holes drilled to test the large Trojan IP target intersected pyritic metasediments without visible copper sulphide. The pyritic metasediment is interpreted as the southern pyritic halo to the Nankivel porphyry system. Hence the location of a central copper-prospective zone is revised and a joint venture partner will be sought to fund further exploration at the large target area.

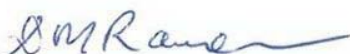
- **Maslins IOCG copper-gold target** – The Company will participate in a regional magneto-telluric survey to cover the Maslins iron oxide copper gold target. Results will advance the understanding of the Maslins target and assist towards a decision to drill test the target during 2018.
- **Cartarpo copper-cobalt-REE Target** – The 100% held, Cartarpo tenement (EL5999) located 175km north of Adelaide, was granted to the Company in early August 2017. The results of a field visit and sampling undertaken in November 2017 at the Cartarpo Project recognised metals that point to a new deposit style in the corridor that is more akin to alkalic or carbonatite/kimberlitic intrusions. The Company considers the potential of the Cartarpo tenement is significantly raised by the verification of high cobalt grades and the new identification of rare earth elements at the historic Cartarpo copper mine.
- **Thurlga joint venture** – Having earned a 75% interest in the Thurlga tenement (EL 5419) during the year ended 30 June 2017, Gawler Resources Limited, a wholly owned subsidiary of the Company, is the manager of the Joint Venture. A twelve month JV program was prepared for 2017/18 that also countenances infilling the Wide and Ironstone/Ironstone North silver targets with more detailed soil geochemical sampling following the promising 2017 drill results. Further drilling is contingent of the soil results.
- **Other Regional Eyre Peninsula Projects** – There has been limited activity on the other Regional Eyre Peninsula Projects, whilst the focus has been on other priority projects. During the reporting period Investigator's new applications for Coopers Hill, Yantanabie and West Pennas, were approved by the Minister.

On 18 September 2017 Mr David Jones retired from his role as Non-Executive Director of the Company. Mr Jones was appointed as a Director on 14 December 2006 and has served on the Board for more than 10 years. On 15 September 2017, Mr Kevin J Wilson was appointed by the board as a Non-Executive Director.

Auditor Independence

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is attached.

Signed in accordance with a resolution of the Directors.



D M Ransom
Chairman



J A Anderson
Managing Director

Adelaide
15 March 2018

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Auditor's Independence Declaration to the Directors of Investigator Resources Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the review of Investigator Resources Limited for the half-year ended 31 December 2017.

I declare that, to the best of my knowledge and belief, there have been:

- a No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b No contraventions of any applicable code of professional conduct in relation to the review.



Grant Thornton Audit Pty Ltd
Chartered Accountants



J L Humphrey
Partner – Audit & Assurance

Adelaide, 15 March 2018

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INVESTIGATOR RESOURCES LIMITED
and its controlled entities
ABN 90 115 338 979
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME
for the half year ended 31 December 2017

	Note	Consolidated 2017 \$	2016 \$
Revenue	2	34,826	59,602
Profit on sale of fixed assets	2	-	37,375
Other Income	2	-	237
Administrative expenses	2	(343,558)	(375,959)
Employee benefit expenses	2	(320,040)	(454,257)
Exploration and evaluation expenditure written off	2	(88,016)	(419,760)
Loss before income tax expense		(716,788)	(1,152,762)
Income tax benefit	4	785,139	-
(Loss)/Profit attributable to members of the company		68,351	(1,152,762)
Other comprehensive income for the period, net of tax		-	-
Total comprehensive (loss)/income for the half year		68,351	(1,152,762)
Basic earnings per share (cents per share)		0.01	(0.20)
Diluted earnings per share (cents per share)		0.01	(0.20)

The accompanying notes form part of this financial report

INVESTIGATOR RESOURCES LIMITED
and its controlled entities
ABN 90 115 338 979
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at 31 December 2017

	Note	Consolidated 31 December 2017 \$	30 June 2017 \$
CURRENT ASSETS			
Cash and cash equivalents	3	4,419,637	2,833,687
Receivables	4	820,661	279,611
Inventories		6,682	4,068
Other Assets		14,372	30,490
Total Current Assets		5,261,352	3,147,856
NON CURRENT ASSETS			
Exploration and evaluation assets	8	29,677,537	28,630,115
Property plant and equipment		6,890	7,471
Other financial assets		24,202	24,202
Total Non-Current Assets		29,708,629	28,661,788
TOTAL ASSETS		34,969,981	31,809,644
CURRENT LIABILITIES			
Trade and other payables		349,176	424,626
Employee benefit provisions		368,794	385,255
Total Current Liabilities		717,970	809,881
NON CURRENT LIABILITIES			
Employee benefit provisions		40,087	25,446
Total Non-Current Liabilities		40,087	25,446
TOTAL LIABILITIES		758,057	835,327
NET ASSETS		34,211,924	30,974,317
EQUITY			
Contributed equity	5	53,070,322	50,082,204
Share option reserve		327,179	962,451
Accumulated losses		(19,185,577)	(20,070,338)
TOTAL EQUITY		34,211,924	30,974,317

The accompanying notes form part of this financial report

INVESTIGATOR RESOURCES LIMITED

and its controlled entities

ABN 90 115 338 979

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY for the half year ended 31 December 2017

	Note	Share Capital	Consolidated Accumulated Losses	Share Option Reserve	Total
		\$	\$		\$
2016					
Balance at 1 July 2016		44,937,503	(16,445,080)	900,070	29,392,493
Transactions with owners					
- Shares issued during the period (net of costs)		5,144,701	-	-	5,144,701
- Options issued to key management personnel		-	-	62,381	62,381
Total profit/(loss) for the period		-	(1,152,762)	-	1,152,762
Balance at 31 December 2016		50,082,204	(17,597,842)	962,451	33,446,813
2017					
Balance at 1 July 2017		50,082,204	(20,070,338)	962,451	30,974,317
Transactions with owners					
- Shares issued during the period (net of costs)		2,988,118	-	-	2,988,118
- Options issued to Fundraising Manager		-	-	170,225	170,225
- Options issued to key management personnel		-	-	10,913	10,913
Expired Options adjusted to Retained Earnings		-	816,410	(816,410)	-
Total profit/(loss) for the period		-	68,351	-	68,351
Balance at 31 December 2017		53,070,322	(19,185,577)	327,179	34,211,924

The accompanying notes form part of this financial report

INVESTIGATOR RESOURCES LIMITED
and its controlled entities
ABN 90 115 338 979
CONSOLIDATED STATEMENT OF CASH FLOWS
for the half year ended 31 December 2017

	Note	Consolidated 2017 \$	2016 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Interest received		30,270	42,826
Research and development grant received		-	-
Payments to suppliers and employees		(656,551)	(748,840)
Net cash used in operating activities		(626,281)	(706,014)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for Exploration and evaluation expenditure		(1,180,045)	(1,852,426)
Payments for property plant and equipment		(4,061)	(1,150)
Proceeds from disposal of property plant and equipment		-	50,000
PACE funding received		237,994	-
Net cash used in investing activities		(946,112)	(1,803,576)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		3,400,001	5,553,060
Payment of costs associated with share issue		(241,658)	(408,360)
Net cash provided by financing activities		3,158,343	5,144,700
Net increase / (decrease) in cash and cash equivalents during the period		1,585,950	2,635,110
Cash and cash equivalents at beginning of period		2,833,687	1,457,408
Cash and cash equivalents at end of period	3	4,419,637	4,092,518

The accompanying notes form part of this financial report

INVESTIGATOR RESOURCES LIMITED

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NOTES TO THE FINANCIAL STATEMENTS for the half year ended 31 December 2017

1. Basis of preparation of half-year Financial Report

This general purpose financial report for the half-year reporting period ended 31 December 2017 has been prepared in accordance with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Act 2001.

The half-year financial report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and settlement of liabilities in the normal course of business. This includes the realisation of capitalised exploration expenditure of \$29,677,537 (30 June 2017: \$28,630,115).

The Company incurred a net loss before income tax of \$716,788 during the half year ended 31 December 2017 and as of that date; the net cash used in operating activities resulted in an outflow of \$626,281. The Company's ability to continue as a going concern is contingent on raising additional capital and/or the successful exploration and subsequent exploitation of its areas of interest through sale or development. Should the Company not achieve the matters set out above, there would then be significant uncertainty over the ability of the Company to continue as a going concern, and, therefore, it may have to realise its assets and extinguish its liabilities, other than in the ordinary course of business and at amounts different from those stated in the half-year financial report.

The half-year financial report does not include any adjustments that may be necessary if the Company is unable to continue as a going concern.

This half-year financial report does not include all the notes of the type normally included in annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report. Accordingly, this half-year financial report is to be read in conjunction with the annual financial report for the year ended 30 June 2017 and any public announcements made by Investigator Resources Ltd during the half-year reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The same accounting policies and methods of computation have generally been followed in this half-year financial report as compared with the most recent annual financial report.

a. Comparatives

When required by Accounting Standards, comparatives have been adjusted to conform to changes in presentation for the current financial half-year.

b. New and amended accounting standards

New and revised standards have been issued by the AASB and are effective for the half-year; however there are no material changes to the policies that affect measurement of the results or financial position of the consolidated entity.

c. Fair values

The fair values of the consolidated entity's financial assets and liabilities approximate their carrying value. No financial assets or liabilities are readily traded on organised markets in standardised form.

INVESTIGATOR RESOURCES LIMITED

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NOTES TO THE FINANCIAL STATEMENTS for the half year ended 31 December 2017

	Consolidated Half year ended 31 December 2017 \$	Half year ended 31 December 2016 \$
2. Revenue and expenses		
The following revenue and expense items are relevant in explaining the financial performance for the period:		
Revenue and other income		
Interest received from other persons	34,826	59,602
Profit on sale of fixed assets	-	37,375
Other Income	-	237
Total revenue and other income	34,826	97,214
Administrative expenses include		
Audit and accounting fees	19,879	27,211
Company secretarial fees	60,000	60,000
Depreciation	4,642	43,018
Directors fees	77,626	77,632
Insurance and legal	23,322	18,934
Minimum lease rental payments	8,883	10,357
Office expenses	41,832	24,793
Shareholder communications and company promotion	78,373	80,609
Other expenses	74,751	83,880
Administration expenses capitalised to exploration	(45,750)	(50,475)
Total administrative expenses	343,558	375,959
Employee benefit expenses include		
Benefits provided to employees	803,360	956,580
Capitalised to exploration and evaluation projects	(494,233)	(564,704)
Employee options expense	10,913	62,381
Total employee benefits expense	320,040	454,257
Exploration and evaluation expenditures written off include:		
Incurred in current year	46,586	19,323
Impairment of expenditure capitalised in prior years	41,430	400,437
Exploration and evaluation expenses written off	88,016	419,760

INVESTIGATOR RESOURCES LIMITED
and its controlled entities
ABN 90 115 338 979
NOTES TO THE FINANCIAL STATEMENTS
for the half year ended 31 December 2017

3. Cash and Cash Equivalents

	31 December 2017 \$	30 June 2017 \$
Cash at bank and on hand	4,419,637	2,833,687

4. Receivables

R&D tax concession receivable	785,139	-
Other Receivables	35,522	279,611
Total Receivables	820,661	279,611

In the current period the Company has advanced a claim in relation to its R&D tax concession, which at 31 December was able to be reliably measured for the first time. This claim is yet to be finalised and may change prior to its lodgement but the directors have formed a view it represents a reliable estimate. Until the current period the amount of the claim was unknown.

5. Share Capital

During the six months to 31 December 2017, the following movements in share capital have been recorded.

- 1) 109,090,910 shares were issued to sophisticated and professional investors on 25 October 2017 pursuant to the capital raising announced on 19 October 2017 raising \$2.4m (before costs).
- 2) On 7 December 2017 45,454,545 shares were issued pursuant to the Share Purchase Plan as part of the capital raising announced on 19 October 2017 raising \$1.0m (before costs).

Half-year ended 31 December 2017	ORD Shares	Listed Options	Unlisted Options
Balance as at 30 June 2017	585,426,577		11,015,000
Placement Shares Issued	109,090,910	95,205,681	
SPP Shares Issued	45,454,545	45,454,545	
Lead Manager - Listed Options issued		20,000,000	
Unlisted options issued			2,500,000
Employee unlisted options expired			(1,570,000)
Balance as at 31 December 2017	739,972,032	160,660,226	11,945,000

INVESTIGATOR RESOURCES LIMITED
and its controlled entities
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NOTES TO THE FINANCIAL STATEMENTS
for the half year ended 31 December 2017

6. Interests in Joint Operations and Farm-in Arrangements

Pursuant to a farm-in agreement with Peninsula Resources Pty Ltd, a wholly owned subsidiary of Andromeda Metals Limited, the Company earned a 75% interest in the Thurlga tenement (EL 5419) by having met the expenditure commitment of \$750,000 during the year ended 30 June 2017. Gawler Resources Limited, a wholly owned subsidiary of Investigator Resources, is the manager of the Joint Venture. A twelve month JV program was prepared for 2017/18 that also countenances infilling the Wide and Ironstone/Ironstone North silver targets with more detailed soil geochemical sampling following the promising 2017 drill results. Further drilling is contingent on the soil results.

At the date of this report, the Company has no other interest in joint operations or farm-in arrangements.

7. Expenditure Commitments and Contingent Liabilities

Other than as disclosed in this report, there were no significant changes to the commitments and contingencies disclosed in the most recent annual financial report.

8. Exploration and Evaluation Assets

Movements in exploration and evaluation assets	31 December 2017	30 June 2017
	\$	\$
Cost brought forward at 1 July	28,630,115	28,296,419
Expenditure incurred during the period	1,135,438	3,654,854
Impairment losses	(88,016)	(3,083,164)
PACE Grant offset against capitalised Exploration & Evaluation	-	(237,994)
Closing balance	29,677,537	28,630,115

INVESTIGATOR RESOURCES LIMITED
and its controlled entities
ABN 90 115 338 979
NOTES TO THE FINANCIAL STATEMENTS
for the half year ended 31 December 2017

9. Segment Information

The Company has identified its operating segments based on the internal reports that are reviewed and used by the board of directors (chief operating decision makers) in assessing performance and determining the allocation of resources. The Company is managed primarily on a geographic basis, that is, the location of the respective areas of interest (tenements) in Australia. Operating segments are determined on the basis of financial information reported to the Board which is at the Company level. The Company does not have any products or services it derives revenue from.

In the opinion of the board of directors, the Company has one reportable segment, being exploration for silver, copper, gold and associated minerals in Australia. Accordingly, all significant operating decisions are based upon analysis of the Company as a single segment. The financial results from this segment are equivalent to the financial statements of the Consolidated Entity as a whole. The basis for determining segments has not changed from the last annual financial statements.

10. Subsequent Events

Other than as set out in this report and the attached financial statements, no matters or circumstances have arisen since 31 December 2017, which significantly affect or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in subsequent financial years.

INVESTIGATOR RESOURCES LIMITED
and its controlled entities
ABN 90 115 338 979
NOTES TO THE FINANCIAL STATEMENTS
for the half year ended 31 December 2017

Competent Persons Statements

The information in this report that relates to Exploration Results is based on information compiled by Mr John Anderson, a Competent Person who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Anderson is a full-time employee of the Company. Mr Anderson has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Anderson consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information that relates to the Mineral Resource Estimates at the Paris Silver Project is extracted from the report entitled "Significant 26% upgrade for Paris Silver Resource to 42Moz contained silver" dated 19 April 2017 and is available to view on the Company website www.investres.com.au.

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

Forward Looking Statement

Statements regarding plans with respect to the Company's mineral properties are forward-looking statements. There can be no assurance that the Company's plans for development of its mineral properties will proceed as currently expected. There can also be no assurance that the Company will be able to confirm the presence of additional mineral deposits, that any mineralisation will prove to be economic or that a mine will successfully be developed on any of the Company's mineral properties.

INVESTIGATOR RESOURCES LIMITED

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DIRECTORS' DECLARATION

The Directors of the Company declare that:

1. The financial statements and notes:
 - a) comply with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations; and
 - b) give a true and fair view of the economic entity's financial position as at 31 December 2017 and of its performance for the half-year ended on that date.
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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



D M Ransom
Chairman



J A Anderson
Managing Director

Adelaide
15 March 2018

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Independent Auditor's Review Report To the Members of Investigator Resources Limited

Report on the Half Year Financial Report

Conclusion

We have reviewed the accompanying half year financial report of Investigator Resources Limited and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2017, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half year ended on that date, a description of accounting policies, other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half year financial report of Investigator Resources Limited does not give a true and fair view of the financial position of the Group as at 31 December 2017, and of its financial performance and its cash flows for the half year ended on that date, in accordance with the *Corporations Act 2001*, including complying with Accounting Standard AASB 134 *Interim Financial reporting*.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial report, which indicates that the Group incurred a net loss before income tax of \$716,788 during the half year ended 31 December 2017 and as of that date; the Group's net cash used in operating activities resulted in an outflow of \$626,281. As stated in the financial report, these events or conditions, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

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Directors' Responsibility for the Half Year Financial Report

The Directors of the Company are responsible for the preparation of the half year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2017 and its performance for the half year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Investigator Resources Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.



Grant Thornton Audit Pty Ltd
Chartered Accountants



J L Humphrey
Partner - Audit & Assurance

Adelaide, 15 March 2018