

**INVESTIGATOR
RESOURCES
LIMITED**



Investigator Resources Limited

ABN 90 115 338 979

Half Year Financial Report - 31 December 2018

Investigator Resources Limited

Contents

31 December 2018

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Investigator Resources Limited
Corporate directory
31 December 2018

Directors	D.M. Ransom (Chairman) K.J. Wilson (Non-Executive Director) A. McIlwain (Non-Executive Director and Acting Chief Executive Officer)
Joint Company Secretaries	Ms Melanie Leydin Ms Anita Addorisio
Principal Place of Business	18 King Street Norwood SA 5067
Share Register	Computershare Limited Level 5, 115 Grenfell Street Adelaide SA 5000
Auditor	Grant Thornton Audit Pty Ltd Level 3, 170 Frome Street Adelaide SA 5000
Solicitors	MSM Legal 11-13 Gilbert Street Adelaide SA 5000
Stock Exchange Listing	Investigator Resources Limited shares are listed on the Australian Securities Exchange (ASX code: IVR)
Website	Website: www.investres.com.au

Investigator Resources Limited
Directors' report
31 December 2018

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Investigator Resources Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2018.

Directors

The following persons were directors of Investigator Resources Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

D.M. Ransom – Chairman

K.J. Wilson – Non-Executive Director

A. McIlwain - Non-Executive Director (Appointed Acting Chief Executive Officer 16 August 2018)

J. A. Anderson - Managing Director (Resigned 16 August 2018)

Review of operations

The loss for the consolidated entity after providing for income tax amounted to \$2,393,741 (31 December 2017: profit of \$68,351).

The net result for the period includes receipt of the Research and Development tax incentive of \$657,958 for the 2018 tax period and an impairment charge, associated with the relinquishment of tenements (detailed below), for exploration and evaluation assets of \$1,706,193.

During the period, the Company incurred \$484,403 expenditure on exploration activities across the Company's tenements, compared with \$1,135,438 for the prior corresponding period.

At 31 December 2018, the Company had a cash position of \$1,978,232.

The main activities during the half year included:

- Paris Silver Project (Peterlumbo Tenement)

The Company's 100% owned Paris Silver Project is located on South Australia's Eyre Peninsula, 70km northwest of the town of Kimba. The Paris Silver Prospect contains a JORC (2012) Mineral Resource estimate of 42 million ounces of Silver and 55 thousand tonnes of lead.

During the period the Company completed a review of the metallurgical testwork results completed by Core Metallurgy as part of the Project's Pre-Feasibility Study. The testwork identified alternatives to enhance lead recoveries and improve the gross revenue of the product, with silver recoveries remaining at approximately 74%. A high-level peer review of the metallurgical testwork is being pursued through international silver experts with the aim of defining any future work that could improve the project's performance when silver commodity prices improve.

The Company's focus is to maintain the tenement in good standing with work being undertaken on groundwater baseline monitoring and maintenance of security on site until such time as the silver price and Project's economics improve.

Review of operations (continued)

- **Maslins IOCG Copper-Gold Target**

The Company's 100% owned iron oxide copper gold ('IOCG') target is located in the Olympic Dam belt of the Stuart Shelf in South Australia's Gawler Craton.

In January 2018, the Company joined with Goescience Australia (GA) and the Geological Survey of South Australia (GSSA) to undertake an infill Magneto-Telluric (MT) geophysical survey across the Maslins target area. The Company received the data from both its sole-funded infill stations during the period and the final MT data gathered by GA enabling additional geophysical interpretation to commence. Additionally, both 2D and 3D modelling of the gravity and magnetics is also underway to refine the drill target options.

Maslins is an undrilled gravity anomaly interpreted as having a shallower depth to basement (estimated to be up to 600 m) than BHP's recently announced Oak Dam discovery, some 80kms to the north. The anomaly is complex, 6 km in length and comprises a curved gravity and partly magnetic trend with a prominent gravity high at its northern end.

The Company had deferred its plan to identify a prospective joint venture partner to drill the Maslins target pending the release of the additional GA and GSSA data and reinterpretation of the geophysical model. With the modelling anticipated to be completed within the first quarter of 2019, re-engagement with prospective joint venture partners to fund the proposed drilling program will recommence.

- **Cartarpo Cobalt-Copper Project**

The Company's 100% owned, Cartarpo tenement is located 175km north of Adelaide, was granted to the Company in early August 2017.

An extensive soil sampling program with over 300 soil samples were collected during the period across the historic Cartarpo cobalt-copper mine and surrounds. Partial leach analysis on these samples is underway and due for completion by the end of February 2019.

Impairment charge

As per AASB 6 – Exploration and Evaluation of Mineral Resources, Management have undertaken an impairment review and assessed the carrying value of the Company's exploration and evaluation assets. Management have used significant judgment in determining whether it is likely that future economic benefits will be derived from the exploration and evaluation assets.

As part of the Company's restructure of the organisation undertaken in October 2018, a review of the consolidated entity's exploration licenses was undertaken with the decision to relinquish a number of licences during the period. In addition, the Company concluded that the Thurlga Joint Venture did not warrant further work and terminated the Joint Venture with Andromeda Metals Limited.

Exploration costs on the relinquished licences and the Thurlga Joint Venture interest have been written off and resulted in an impairment charge of \$1,706,193.

Review of operations (continued)

Corporate

The Board has previously announced that the current focus of the Company is to seek to acquire a high-profile advanced exploration project, without restriction to commodity or jurisdiction. Numerous projects have been identified and reviewed during the period. The Company continues to focus on finding a suitable project and remains confident that the process underway will add value for the Company's shareholders in a timely manner.

Appointments

As announced on 16 August 2018, Mr John Anderson stepped down from his role as Managing Director and CEO which he held for more than 10 years. The Board is appreciative of John's unwavering determination to add value through discovery while in the role and the application of his knowledge and support during his tenure.

Mr Andrew McIlwain, a Non-Executive Director of the Company has assumed the position of Acting CEO whilst an executive search for a new Managing Director is underway.

As announced on 31 December 2018, Mr Angelo Gaudio resigned as Joint Company Secretary and Chief Financial Officer and the following appointments were made:

- Ms Melanie Leydin as Chief Financial Officer and Joint Company Secretary
- Ms Anita Addorisio as Joint Company Secretary.

Ms Leydin has over 25 years' experience in the accounting profession and over 13 years' experience as a Company Secretary for ASX listed companies.

Ms Addorisio is an experienced finance professional with over 15 years' senior finance experience and 5 years' experience as a Company Secretary for ASX listed companies within several industry sectors including Resources.

The Board acknowledges and appreciates the substantial contribution that Mr Gaudio has made during his tenure as Company Secretary and Chief Financial Officer and wish him well in his future endeavours.

Significant changes in the state of affairs

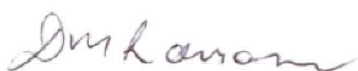
There were no significant changes in the state of affairs of the consolidated entity during the financial half-year.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors



D M Ransom
Chairman



A McIlwain
Acting Chief Executive Officer

7 March 2019

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 audit of Investigator Resources Limited for the year ended 31 December 2018, 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 audit; and
- b no contraventions of any applicable code of professional conduct in relation to the audit.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



J L Humphrey
Partner – Audit & Assurance

Adelaide, 07 March 2019

Investigator Resources Limited
Statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2018

		Consolidated	
	Note	31 December 2018	31 December 2017
		\$	\$
Revenue			
Research and development incentive		23,572	785,139
Other income	3	15,000	-
Interest income		24,777	34,826
Expenses			
Employee benefit expenses	4	(353,727)	(320,040)
Administrative expenses	5	(397,170)	(343,558)
Exploration and evaluation assets impaired		(1,706,193)	(88,016)
(Loss)/Profit before income tax expense		(2,393,741)	68,351
Income tax expense		-	-
(Loss)/Profit after income tax expense for the half-year attributable to the owners of Investigator Resources Limited		(2,393,741)	68,351
Other comprehensive income for the half-year, net of tax		-	-
Total comprehensive (loss)/income for the half-year attributable to the owners of Investigator Resources Limited		<u>(2,393,741)</u>	<u>68,351</u>
		Cents	Cents
Basic earnings per share	21	(0.32)	0.01
Diluted earnings per share	21	(0.32)	0.01

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Investigator Resources Limited
Statement of financial position
As at 31 December 2018

		Consolidated	
	Note	31 December 2018 \$	30 June 2018 \$
Assets			
Current assets			
Cash and cash equivalents		1,978,232	2,889,752
Trade and other receivables	6	11,502	655,395
Inventories		-	12,679
Other assets	7	15,646	33,443
Total current assets		<u>2,005,380</u>	<u>3,591,269</u>
Non-current assets			
Property, plant and equipment	8	5,574	7,066
Exploration and evaluation assets	9	29,369,186	30,590,976
Other assets	10	24,202	24,202
Total non-current assets		<u>29,398,962</u>	<u>30,622,244</u>
Total assets		<u>31,404,342</u>	<u>34,213,513</u>
Liabilities			
Current liabilities			
Trade and other payables	11	75,919	249,816
Provisions	12	95,384	332,481
Total current liabilities		<u>171,303</u>	<u>582,297</u>
Non-current liabilities			
Employee benefit provisions	13	64,668	69,104
Total non-current liabilities		<u>64,668</u>	<u>69,104</u>
Total liabilities		<u>235,971</u>	<u>651,401</u>
Net assets		<u><u>31,168,371</u></u>	<u><u>33,562,112</u></u>
Equity			
Issued capital	14	53,070,322	53,070,322
Reserves	15	243,519	243,519
Accumulated losses		<u>(22,145,470)</u>	<u>(19,751,729)</u>
Total equity		<u><u>31,168,371</u></u>	<u><u>33,562,112</u></u>

The above statement of financial position should be read in conjunction with the accompanying notes

Investigator Resources Limited
Statement of changes in equity
For the half-year ended 31 December 2018

Consolidated	Issued Capital \$	Share Option Reserves \$	Accumulated Losses \$	Total equity \$
Balance at 1 July 2017	50,082,204	962,451	(20,070,338)	30,974,317
Profit after income tax expense for the half-year	-	-	68,351	68,351
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive income for the half-year	-	-	68,351	68,351
<i>Transactions with owners in their capacity as owners:</i>				
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	-
Balance at 31 December 2017	<u>53,070,322</u>	<u>327,179</u>	<u>(19,185,577)</u>	<u>34,211,924</u>
	Issued Capital \$	Reserves \$	Accumulated Losses \$	Total equity \$
Balance at 1 July 2018	53,070,322	243,519	(19,751,729)	33,562,112
Loss after income tax expense for the half-year	-	-	(2,393,741)	(2,393,741)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive income for the half-year	-	-	(2,393,741)	(2,393,741)
Balance at 31 December 2018	<u>53,070,322</u>	<u>243,519</u>	<u>(22,145,470)</u>	<u>31,168,371</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes

Investigator Resources Limited
Statement of cash flows
For the half-year ended 31 December 2018

		Consolidated	
	Note	31 December 2018	31 December 2017
		\$	\$
Cash flows from operating activities			
Interest received		27,854	30,270
Research and development grant received		657,958	-
Payments to suppliers and employees		(1,112,929)	(656,551)
Net cash used in operating activities		(427,117)	(626,281)
Cash flows from investing activities			
Payments for exploration and evaluation expenditure		(484,403)	(1,180,045)
Payments for property, plant and equipment	8	-	(4,016)
PACE funding received		-	237,994
Net cash used in investing activities		(484,403)	(946,067)
Cash flows from financing activities			
Proceeds from issue of shares	14	-	3,400,001
Dividends paid	16	-	(241,658)
Net cash from financing activities		-	3,158,343
Net (decrease)/increase in cash and cash equivalents		(911,520)	1,585,995
Cash and cash equivalents at the beginning of the financial half-year		2,889,752	2,833,687
Cash and cash equivalents at the end of the financial half-year		<u>1,978,232</u>	<u>4,419,682</u>

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. General information

The financial statements cover Investigator Resources Limited as a consolidated entity consisting of Investigator Resources Limited and the entities it controlled at the end of, or during, the half-year. The financial statements are presented in Australian dollars, which is Investigator Resources Limited's functional and presentation currency.

Investigator Resources Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

18 King Street
Norwood SA 5067

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 7 March 2019.

Note 2. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2018 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2018 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

Going Concern

These financial statements have been prepared on a going concern basis which contemplates the continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business. This includes the realisation of capitalised exploration expenditure of \$29,369,186 (30 June 2018: \$30,590,976).

The consolidated group has incurred a net loss after tax for the half-year ended 31 December 2018 of \$2,393,741 (31 December 2017: net profit of \$68,351) and operations were funded by a net cash outflow, from operating and investing activities of \$911,520 (31 December 2017: net cash outflow of \$1,572,348). At 31 December 2018, the consolidated group had net current assets of \$1,834,077 (30 June 2018: net current assets of \$3,008,972).

The consolidated group'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 consolidated entity not achieve the matters set out above, there would then be significant uncertainty over the ability of the consolidated entity 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 31 December 2018 half-year financial report.

The 31 December 2018 half-year financial report does not include any adjustments that may be necessary if the consolidated group is unable to continue as a going concern.

Note 2. Significant accounting policies (continued)

New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated entity.

AASB 15 Revenue from Contracts with Customers and AASB 9 Financial Instruments became effective beginning on or after 1 January 2018. Accordingly, the Group applied AASB 15 and AASB 9 for the first time to the interim period ended 31 December 2018.

AASB 15 replaces AASB 118 Revenue and several revenue related interpretations. The new Standard has been applied as at 1 January 2018. There is no impact to the Group's historical financial results given the company is not currently in production.

AASB 9 replaces AASB 139 Financial Instruments: Recognition and Measurement requirements. AASB 9 addresses the classification, measurement and derecognition of financial assets, financial liabilities and hedging and a new impairment model for financial assets. There has been no impact on the Group's previously reported financial performance or financial position following the adoption of AASB 9.

Note 3. Other income

	Consolidated	
	31 December 2018	31 December 2017
	\$	\$
Net gain on disposal of property, plant and equipment	15,000	-

Note 4. Employee benefit expenses

	Consolidated	
	31 December 2018	31 December 2017
	\$	\$
Benefits provided to employees	646,105	803,360
Capitalised to exploration and evaluation assets	(292,378)	(494,233)
Employee options expense	-	10,913
	353,727	320,040

Note 5. Administrative expenses

	Consolidated	
	31 December 2018	31 December 2017
	\$	\$
Audit and accounting fees	23,078	19,879
Company secretarial fees	64,000	60,000
Depreciation	1,493	4,642
Directors fees	77,500	77,626
Insurance and legal	30,207	23,322
Minimum lease rental payments	8,824	8,883
Shareholder communications and company promotion	50,647	78,373
Office expenses	44,086	41,832
Other expenses	117,735	74,751
Administration expenses capitalised to exploration and evaluation assets	(20,400)	(45,750)
	<u>397,170</u>	<u>343,558</u>

Note 6. Current assets - trade and other receivables

	Consolidated	
	31 December 2018	30 June 2018
	\$	\$
Research and development incentive receivable	-	634,386
Accrued interest	4,161	7,238
GST receivable	7,341	13,771
	<u>11,502</u>	<u>655,395</u>

Note 7. Current assets - other assets

	Consolidated	
	31 December 2018	30 June 2018
	\$	\$
Prepayments	<u>15,646</u>	<u>33,443</u>

Note 8. Non-current assets - property, plant and equipment

	Consolidated	
	31 December 2018	30 June 2018
	\$	\$
Plant and equipment - at cost	564,671	564,671
Less: Accumulated depreciation	(559,097)	(557,605)
	<u>5,574</u>	<u>7,066</u>

Note 12. Current liabilities - provisions

	Consolidated	
	31 December 2018	30 June 2018
	\$	\$
Annual leave	88,996	201,181
Long service leave	6,388	131,300
	<u>95,384</u>	<u>332,481</u>

Note 13. Non-current liabilities - employee benefit provisions

	Consolidated	
	31 December 2018	30 June 2018
	\$	\$
Long service leave	<u>64,668</u>	<u>69,104</u>

Note 14. Equity - issued capital

	Consolidated			
	31 December 2018	30 June 2018	31 December 2018	30 June 2018
	Shares	Shares	\$	\$
Ordinary shares - fully paid	<u>739,972,032</u>	<u>739,972,032</u>	<u>53,070,322</u>	<u>53,070,322</u>

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Note 15. Equity - reserves

	Consolidated	
	31 December 2018	30 June 2018
	\$	\$
Options reserve	<u>243,519</u>	<u>243,519</u>

Note 16. Equity - dividends

There were no dividends paid, recommended or declared during the current or previous financial half-year.

Note 17. 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 meeting 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. The drilling on this tenement was contingent on the soil results. A detailed soil geochemical sampling and soil results indicated towards low prospects in this tenement. During the period the company has discontinued further exploration on this tenement and has withdrawn from the joint venture. The Company recognised an impairment charge of **\$802,692 relating to the Thurlga tenement at 31 December 2018.**

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

Note 18. 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.

Note 19. 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.

Note 20. Events after the reporting period

No matter or circumstance has arisen since 31 December 2018 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Note 21. Earnings per share

	Consolidated	
	31 December 2018	31 December 2017
	\$	\$
(Loss)/profit after income tax attributable to the owners of Investigator Resources Limited	<u>(2,393,741)</u>	<u>68,351</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>739,972,032</u>	<u>739,972,032</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>739,972,032</u>	<u>739,972,032</u>
	Cents	Cents
Basic earnings per share	(0.32)	0.01
Diluted earnings per share	(0.32)	0.01

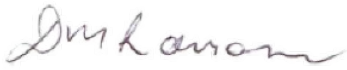
Investigator Resources Limited
Directors' declaration
31 December 2018

In the directors' opinion:

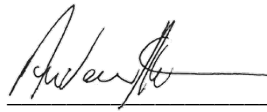
- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2018 and of its performance for the financial half-year ended on that date; and
- 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 directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors



D M Ransom
Chairman



A McIlwain
Acting Chief Executive Officer

7 March 2019

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

Report on the half year financial report

Conclusion

We have reviewed the accompanying half year financial report of Investigators Resources Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2018, 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 Investigators Resources Limited does not give a true and fair view of the financial position of the Group as at 31 December 2018, 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 2 in the financial report, which indicates that the Group incurred a net loss of \$2,393,741 during the half year ended 31 December 2018 and, as of that date, the Group's current net cash used in operating and investing activities results in an outflow of \$911,520. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, 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 2018 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 Investigators 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, 07 March 2019