

**INVESTIGATOR RESOURCES LIMITED**

ABN 90 115 338 979

**HALF YEAR FINANCIAL REPORT**

**FOR THE HALF YEAR ENDED 31 DECEMBER 2014**

# **INVESTIGATOR RESOURCES LIMITED**

ABN 90 115 338 979

## **DIRECTORS' REPORT**

Your Directors submit their report for the half year ended 31 December 2014.

### **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.

R. Marshall OBE - Chairman  
J. A. Anderson - Managing Director  
D.G. Jones - Non-Executive Director  
B. E. Foy - Non-Executive Director

### **Review of Operations**

The Company recorded a surplus for the half year ended 31 December 2014 of \$1,341,992 (2013: loss of \$627,416).

The surplus resulted from the receipt of \$2,302,250 as a tax refund under the Federal Government's Research and Development ("R&D") Tax Incentive program. The refund was for expenditure in relation to experimental work conducted as part of the Company's on-going studies of the nature of the geology and the mineral potential of the Company's tenements in the Uno Province, in South Australia.

During the period the Company incurred some \$2.9 million on exploration activities at the Company's tenements.

The main activities during the half year included:

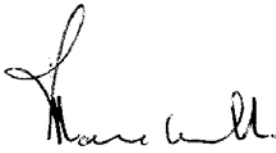
- Drill testing of potential extensions in the immediate area (PETA) around the Paris silver resource, and at the priority satellite targets at Helen/Diomedes and Ajax. Assays from the drilling supported potential for silver targets at Diomedes and Argos North near the Paris silver resource.
- Demonstration of the potential for copper gold near Paris with a breakthrough intersection at Helen. An airborne magnetic survey mapped similar magnetic copper targets around the rim of the Nankivel intrusive complex. A 15 hole RCP program investigated accessible magnetic targets around Nankivel Rim and at Trojan Horse.
- Development of an upgraded mineral system model for the Paris-Nankivel mineral system which highlighted three new priority and accessible targets for porphyry copper gold, skarn copper gold silver and silver gold.
- Conduct of first pass scout drilling of the large poly-metallic system at Uno/Morgans.
- Finalisation of access agreements for Roundabout & Spyall IOCG targets during the period with diamond drilling commenced mid-January.
- Completion of the Rights Issue Shortfall capital raising following the earlier 2 for 5 non renounceable Rights Issue, raising an additional A\$2.5million.
- Completion of the acquisition of the 25% interest in the Peterlumbo Joint Venture (PJV) from partner Mega Hindmarsh's (Mega's), interest in the PJV. Consideration for the acquisition was the issue of 12,011,569 shares in the Company escrowed for 12 months. The transaction was completed on 14 July 2014.

- Entering into the Thurlga Farm-in and Joint Venture agreement on the large tenement adjoining the 100% held Peterlumbo tenement. An airborne geophysical survey was conducted and a number of exploration targets were identified, for follow up in early 2015.

## **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.



R Marshall OBE  
Chairman  
Brisbane  
17 February 2015



J A Anderson  
Managing Director

Grant Thornton Audit Pty Ltd  
ACN 130 913 594

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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 2014, 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



C D J Smith  
Partner - Audit & Assurance

Brisbane, 17 February 2015

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**INVESTIGATOR RESOURCES LIMITED**  
**and its controlled entity**  
ABN 90 115 338 979  
**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER**  
**COMPREHENSIVE INCOME**  
**for the half year ended 31 December 2014**

	Note	Consolidated 2014 \$	2013 \$
Revenue	2	2,356,322	1,057,963
Administrative expenses	2	(486,517)	(494,196)
Employee benefit expenses	2	(433,265)	(513,777)
Exploration and evaluation expenditure written off	2	(94,548)	(677,406)
<b>Profit before income tax expense</b>		<b>1,341,992</b>	<b>(627,416)</b>
Income tax expense		-	-
<b>Profit / (Loss) attributable to members of the company</b>		<b>1,341,992</b>	<b>(627,416)</b>
Other comprehensive income for the period, net of tax		-	-
<b>Total comprehensive income / (loss) for the year attributable to the members of the company</b>		<b>1,341,992</b>	<b>(627,416)</b>
Basic earnings per share (cents per share)		0.30	(0.19)
Diluted earnings per share (cents per share)		0.30	(0.19)

The accompanying notes form part of this financial report

**INVESTIGATOR RESOURCES LIMITED**  
**and its controlled entity**  
ABN 90 115 338 979  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**as at 31 December 2014**

	Note	Consolidated 31 December 2014 \$	30 June 2014 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	3	4,645,112	2,931,300
Receivables		43,007	33,029
Inventories		20,557	3,207
<b>Total Current Assets</b>		<b>4,708,676</b>	<b>2,967,536</b>
<b>NON CURRENT ASSETS</b>			
Exploration and evaluation assets		28,820,988	26,045,307
Property plant and equipment		313,106	434,305
Other financial assets		31,089	31,089
<b>Total Non-Current Assets</b>		<b>29,165,183</b>	<b>26,510,701</b>
<b>TOTAL ASSETS</b>		<b>33,873,859</b>	<b>29,478,237</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		376,318	173,205
Employee benefit provisions		192,651	211,981
<b>Total Current Liabilities</b>		<b>568,969</b>	<b>385,186</b>
<b>NON CURRENT LIABILITIES</b>			
Employee benefit provisions		100,949	60,098
<b>Total Non-Current Liabilities</b>		<b>100,949</b>	<b>60,098</b>
<b>TOTAL LIABILITIES</b>		<b>669,918</b>	<b>445,284</b>
<b>NET ASSETS</b>		<b>33,203,941</b>	<b>29,032,953</b>
<b>EQUITY</b>			
Contributed equity		44,937,504	42,176,482
Share option reserve		815,769	747,795
Accumulated losses		(12,549,332)	(13,891,324)
<b>TOTAL EQUITY</b>		<b>33,203,941</b>	<b>29,032,953</b>

The accompanying notes form part of this financial report

**INVESTIGATOR RESOURCES LIMITED**  
**and its controlled entity**  
ABN 90 115 338 979  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**for the half year ended 31 December 2014**

	Note	Share Capital	Consolidated Accumulated Losses	Share Option Reserve	Total
		\$	\$		\$
<b>2013</b>					
<b>Balance at 1 July 2013</b>		<b>40,309,316</b>	<b>(12,299,010)</b>	<b>593,000</b>	<b>28,603,306</b>
Options issued to key management personnel		-	-	53,952	53,952
Loss attributable to members of the company		-	(627,416)	-	(627,416)
<b>Balance at 31 December 2013</b>		<b>40,309,316</b>	<b>(12,926,426)</b>	<b>646,952</b>	<b>28,029,842</b>
<b>2014</b>					
<b>Balance at 1 July 2014</b>		<b>42,176,482</b>	<b>(13,891,324)</b>	<b>747,795</b>	<b>29,032,953</b>
Shares issued during the period (net of costs)		2,761,022	-	-	2,761,022
Options issued to key management personnel		-	-	34,515	34,515
Options issued to employees		-	-	33,459	33,459
Profit attributable to members of the Company		-	1,341,992	-	1,341,992
<b>Balance at 31 December 2014</b>		<b>44,937,504</b>	<b>(12,549,332)</b>	<b>815,769</b>	<b>33,203,941</b>

The accompanying notes form part of this financial report

**INVESTIGATOR RESOURCES LIMITED**  
**and its controlled entity**  
ABN 90 115 338 979  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**for the half year ended 31 December 2014**

	Note	Consolidated 2014 \$	2013 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Interest received		39,084	66,295
Research and development grant		2,302,250	986,032
Payments to suppliers and employees		(823,441)	(906,209)
<b>Net cash provided by (used in) operating activities</b>		<b>1,517,893</b>	<b>146,118</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Exploration and evaluation expenditure		(2,159,094)	(5,120,962)
Purchase of property plant and equipment		-	(3,127)
Proceeds from disposal of property plant and equipment		37,727	-
<b>Net cash provided by (used in) investing activities</b>		<b>(2,121,367)</b>	<b>(5,124,089)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from issue of shares		2,476,093	-
Costs associated with share issue		(158,807)	-
<b>Net cash provided by (used in) financing activities</b>		<b>2,317,286</b>	<b>-</b>
Net increase / (decrease) in cash and cash equivalents during the period		1,713,812	(4,977,971)
Cash and cash equivalents at beginning of period		2,931,300	7,921,620
<b>Cash and cash equivalents at end of period</b>	3	<b>4,645,112</b>	<b>2,943,649</b>

The accompanying notes form part of this financial report



# INVESTIGATOR RESOURCES LIMITED

and its controlled entity

ABN 90 115 338 979

## NOTES TO THE FINANCIAL STATEMENTS for the half year ended 31 December 2014

### 1. Basis of Preparation and Accounting Policies

This general purpose financial report for the interim half-year reporting period ended 31 December 2014 has been prepared in accordance with Accounting Standard AASB 134 *"Interim Financial Reporting"* and the *Corporations Act 2001*. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting standards.

The half year financial report does not include all notes of the type normally included within the 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.

It is recommended that the half-year financial report be read in conjunction with the annual report of Investigator Resources Limited as at 30 June 2014, together with any public announcements made by Investigator Resources Limited during the interim reporting period in accordance with the continuous disclosure obligations of the ASX Listing Rules and the *Corporations Act 2001*.

The accounting policies and methods of computation adopted are consistent with those of the previous financial period as disclosed in the 30 June 2014 annual report.

Consolidated	
Half year ended 31 December 2014	Half year ended 31 December 2013
\$	\$

### 2. Revenue and expenses

The following revenue and expense items are relevant in explaining the financial performance for the period:

#### Revenue and other income

Research and development grant	2,302,250	986,032
Interest received from other persons	54,072	71,931
<b>Total revenue and other income</b>	<b>2,356,322</b>	<b>1,057,963</b>

# INVESTIGATOR RESOURCES LIMITED

and its controlled entity

ABN 90 115 338 979

## NOTES TO THE FINANCIAL STATEMENTS for the half year ended 31 December 2014

### 2. Revenue and expenses (continued)

	Consolidated	
	Half year ended 31 December 2014 \$	Half year ended 31 December 2013 \$
<b>Administrative expenses include</b>		
Audit fees	16,502	16,037
Company secretarial fees	60,000	60,000
Depreciation	95,678	109,522
(Profit) / loss on disposal of property plant & equipment	(12,207)	-
Directors fees	97,594	105,205
Insurance and legal	4,300	11,570
Minimum lease rental payments	45,247	44,617
Office expenses	71,253	62,803
Shareholder communications and company promotion	119,850	144,054
Other expenses	55,012	99,584
Administration expenses charged to exploration	(66,713)	(159,196)
<b>Total administrative expenses</b>	<b>486,517</b>	<b>494,196</b>
<b>Employee benefit expenses include</b>		
Benefits provided to employees	969,926	1,130,918
Charged to exploration and evaluation projects	(604,635)	(671,093)
Employee options expense	67,974	53,952
<b>Total employee benefits expense</b>	<b>433,265</b>	<b>513,777</b>
<b>Exploration and evaluation expenditures written off include:</b>		
Incurred in current year	45,756	28,914
Impairment of expenditure capitalised in prior years	48,792	648,491
<b>Exploration and evaluation expenses written off</b>	<b>94,548</b>	<b>677,406</b>

### 3. Cash and Cash Equivalents

	31 December 2014 \$	30 June 2014 \$
Cash at bank and on hand	4,645,112	2,931,300

**INVESTIGATOR RESOURCES LIMITED**  
**and its controlled entity**  
ABN 90 115 338 979  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the half year ended 31 December 2014**

**4. Share Capital**

On 8 July 2014, the Company announced that it had agreed to acquire Peterlumbo Joint Venture (PJV) partner Mega Hindmarsh's (Mega's), interest in the PJV. Consideration for the acquisition was the issue of 12,011,569 shares in the Company escrowed for 12 months. The transaction was completed on 14 July 2014.

On 30 July 2014, the Company issued a prospectus to raise up to \$3,237,176 by offering the remaining Rights Issue Shortfall arising from the non-renounceable 2:5 Rights Issue prospectus lodged with ASIC on 29 April 2014 and comprising up to 80,929,404 New Shares with 1 New Option for every 1 New Share allotted. New Shares were issued at a price of \$0.04 per New Shares with each New Option being exercisable at \$0.10 per share and expiring on 31 March 2017. The Offer closed on 7 August 2014 following which 61,902,318 New Shares and Options were issued and \$2,476,093 was raised (before costs of the issue).

**5. Interests in Joint Operations and Farm-in Arrangements**

The following changes in joint operations and farm-in arrangements occurred in the six months ended 31 December 2014.

**Peterlumbo**

On 8 July 2014, the Company announced that it had agreed to acquire Mega's 25% interest in the PJV (refer Note 4). From the completion of the transaction on 14 July 2014, the joint venture was at an end and the parties were released from any future or outstanding contribution commitments or obligations generally.

**Kimba**

During the period, the Company was advised by its joint venture partner, Ellemby Consulting Pty Limited that it intended to withdraw from the joint venture with effect 29 October 2014. The tenement will revert 100% to the Company upon approval of the Minister for Mineral Resources and Energy, South Australia.

**Thurlga**

On 18 August 2014, the Company announced that it had entered into a farm-in and joint venture agreement with Adelaide Resources Limited to explore the Thurlga tenement (EL 5419) adjacent to the Company's 100% owned Peterlumbo tenement. Under the agreement, the Company can earn a 75% equity interest in the Joint Venture through total expenditure of \$750,000 by 30 June 2017. Of this amount, \$200,000 must be spent by 15 August 2015 before the Company can withdraw from the project.

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

**6. 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.

**INVESTIGATOR RESOURCES LIMITED**  
**and its controlled entity**  
ABN 90 115 338 979  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the half year ended 31 December 2014**

**7. Subsequent Events**

No other matters or circumstances have arisen since 31 December 2014, 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 entity**  
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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 2014 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.



R Marshall OBE  
Chairman



J A Anderson  
Managing Director

Brisbane  
17 February 2015

Grant Thornton Audit Pty Ltd  
ACN 130 913 594

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

We have reviewed the accompanying half-year financial report of Investigator Resources Limited ("Company"), which comprises the consolidated financial statements being the statement of financial position as at 31 December 2014, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a description of accounting policies, other explanatory information and the directors' declaration of the consolidated entity, comprising both the Company and the entities it controlled at the half-year's end or from time to time during the half-year.

### **Directors' responsibility for the half-year financial report**

The directors of Investigator Resources Limited 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 controls as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

### **Auditor's responsibility**

Our responsibility is to express a conclusion on the consolidated half-year financial report based on our review. We conducted our review in accordance with the 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 Investigator Resources Limited consolidated entity's financial position as at 31 December 2014 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

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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.

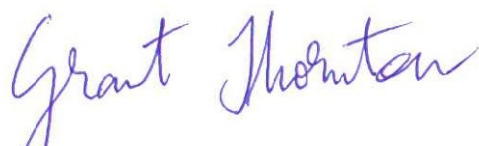
### **Independence**

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

### **Conclusion**

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Investigator Resources Limited is not in accordance with the Corporations Act 2001, including:

- a giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and
- b complying with Accounting Standard AASB 134 Interim Financial Reporting and Corporations Regulations 2001.



GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants



C D J Smith  
Partner - Audit & Assurance

Brisbane, 17 February 2015