INVESTIGATOR RESOURCES LIMITED

ABN 90 115 338 979

ANNUAL FINANCIAL REPORT

for the year ended 30 June 2015

The Directors of Investigator Resources Limited (the Company, Investigator Resources) present their report for the year to 30 June 2015.

DIRECTORS

The names and details of the Company's Directors in office at the date of this report are set out below.

Roger Marshall OBE
BE, FAIM, FAICD
Chairman

Roger has been the Non-Executive Chairman of Investigator Resources since December 2006. He has over 40 years' experience in the mining industry in management, marketing, finance and operational roles. Roger has also been responsible for the development and production of a number of mines in Australia.

Roger previously served on the Boards of Mt Isa Mines Holdings Limited (1984 - 1992), CITIC Australia Trading Limited (2002 - 2009), Energy Brix Corporation (1993 - 1996), AGD Mining Limited (1999 - 2004), Macarthur Diamonds Limited (2004 - 2005), Copper Resources Corp Limited (2005 - 2007), Queensland Ores Limited (Chairman from May 2005 - June 2009 and director from June 2009 to September 2009) Macarthur Coal Limited (Deputy Chairman from July 2001 - October 2011) and OGL Resources Limited (2012 – 2013).

In 1989 Roger was made an Officer of the Order of the British Empire for his services to the mining industry. He is an Honorary Life Fellow of the Australasian Institute of Management.

John Alexander Anderson
BSc Hons, MAusIMM, MSEG, MAIG, MGSA
Managing Director

John has been a Director of Investigator Resources since its inception as Southern Uranium in July 2005 and was appointed the Managing Director in December 2006. A Brisbane-based geologist and exploration manager of 39 years' experience, John initiated the Company's strategy and development of its Eyre and Yorke Peninsula ground.

In his previous roles with Aberfoyle and then as General Manager Exploration Australia for Mt Isa Mines Exploration, he has explored in most Australian jurisdictions for a wide range of commodities with an emphasis on the major base metal / gold mining centres including Kalgoorlie, Broken Hill, McArthur River, Mount Isa / Ernest Henry and the Gawler Craton. His experience includes managing exploration for a year at the Drake epithermal silver field in New South Wales and extensive visits to epithermal gold deposits in Queensland, Chile and Argentina.

John also led teams in the discoveries of the Angas zinc resource, the major portion of the Menninnie Dam zinc deposit, the White Dam gold deposit and several mineral sands deposits in the Murray Basin, South Australia/Victoria/NSW. He served as a Non-Executive Director of Southern Gold Limited from 2004 to 2008. He is a former President of the South Australian Chamber of Mines and Energy.

Bruce Edward Foy
B.Com .LL.B

Bruce has been a Non-Executive Director of Investigator Resources since February 2008. He has extensive experience in corporate, wholesale and investment banking having spent the last 30 years in senior banking and Non-Executive Director roles.

In July 2005 Bruce retired after six years as Managing Director and Country Manager of ING Bank N.V. in Australia. Prior to that he was Country Manager in Australia for two international banks and for a number of years was Managing Director of stock broking firm BBL Curran Mullens Limited.

Bruce is currently a Non-Executive Director of: Avant Insurance Limited, Avant Group Holdings, Professional Insurance Holdings Pty Ltd (all from 1 Jan 2014) and The Doctor's Health Fund Pty Limited. He is also an independent director of the Financial Planning Association of Australia Limited and Chairman of SMSF Owners' Alliance. Bruce was previously Chairman of State Water Corporation (to March 2014), Chairman of Transgrid Corporation (2011), Chairman of the International Banks and Securities Association Limited, a Non-Executive director of CITIC Australia Trading Limited and a Trustee/Director of First State Super.

David Garred Jones

BSc, MSc, FIMMM (London), FAusIMM, MGSA, MAIME-SME
Non-Executive Director

David has been a Non-Executive Director of Investigator Resources since December 2006. He commenced his career in 1964 as a geologist with Broken Hill South Limited, and was involved with the exploration that led to the discovery of the Duchess phosphate deposit near Mt Isa.

Between 1966 and 1968 David worked as an underground geologist for Mt Isa Mines and then as senior geologist responsible for exploration in NW Queensland and the Northern Territory. He joined Newmont Pty Limited as Chief Geologist in 1979 having been Senior Lecturer in Economic Geology at SAIT (later the University of South Australia) for eight years prior.

From 1979 to 2000 David held various Exploration Manager positions in Newmont Australia Limited (which became Newcrest Mining Limited in 1991) covering the Pacific, Europe and Asia, Ireland and Scotland. He established Newcrest in Indonesia and supervised the team that discovered the Gosowong gold deposit in Halmahera. David retired from Newcrest in 2000 as Manager Strategic Planning, assisting in advising the Board on long term and strategic planning.

David is currently Principal of consulting firm Vidoro Pty Limited and has prepared technical reports for submission to the Toronto and Australian Stock Exchanges on exploration properties and mines in Australia, Bolivia, Brazil, Indonesia, Kyrgyz Republic, Mongolia, PNG and The Philippines.

Company Secretary

The Company Secretary in office at the end of the financial year was Garry Gill. Garry has been Chief Financial Officer and Company Secretary for Investigator Resources since June 2007. He has more than 30 years' experience in all facets of corporate financial and administrative functions and has served in Chief Financial Officer and Company Secretarial positions at a number of listed and unlisted public companies, private companies and statutory authorities.

Directors' Interests in the Company

At the date of this report, the interests of the Directors in the shares and options of the Company were:

	Ordinary Shares	Options Listed	Options Unlisted
R. Marshall (Chairman)	3,485,140	981,470	-
J. A. Anderson (Managing Director)	1,792,063	512,019	5,890,000
B. E. Foy (Non-Executive Director)	3,951,338	1,114,668	-
D. G. Jones (Non-Executive Director)	857,672	230,764	-

PRINCIPAL ACTIVITY

The principal activity of the Company during the year was mineral exploration.

OPERATING AND FINANCIAL REVIEW

The Company recorded a loss after tax of $2,320,576 (2014: $1,592,314 loss) for the year ended 30 June 2015.

Strategy

The Company's objective is to create shareholder value through the discovery and development of large, competitive metal deposits in South Australia's southern Gawler Craton.

The Company is focussed on:

- Upgrading the Paris silver project by reviewing the initial 2013 resource estimation and seeking additional resources around the greenfields silver discovery;
- Discovering additional competitive deposits of silver, lead, gold and copper using our first mover status, strong ground position and proprietary soil geochemical dataset in the wider emerging Uno Province; and
- Becoming a silver, lead, gold and copper developer through exploration and acquisition.

Operations - Exploration

The Company's key projects are:

- The Paris silver project, including opportunities to expand into the Paris-Nankivel copper-gold and silver-lead systems within the Peterlumbo tenement;
- The Thurlga JV project located in the Thurlga tenement adjacent to Peterlumbo and featuring new silver, gold and copper targets;
- Uno/Morgans silver, lead, copper and cobalt project in another interpreted epithermal field 85km east of Paris; and
- Northern Yorke Peninsula IOCG projects.

The 2015 financial year saw the Company take 100% control of the Peterlumbo tenement which includes the Paris Silver Project and enter into a Joint Venture and Farm-in Agreement with Adelaide Resources to explore the Thurlga tenement which is adjacent to Peterlumbo.

The key focus of the Company during the year was the continued advancement of the Paris Silver Project and the development of accessible multi-commodity targets within the Uno Province. Investigator maintained a strong geological team and in-house knowledge developed for the emerging region. A large emphasis was placed on in-house and collaborative research, building the Paris discovery and regional research developments by universities and the South Australian Geological Survey with Geoscience Australia.

The major exploration activities for the year were as follows:

- Approximately 19,400 metres of drilling was conducted on silver and copper targets within the Peterlumbo and the Uno Morgans tenements in the northern Eyre Peninsula. The purpose of the Peterlumbo drilling was to test the Ajax, Helen West, Helen East, Diomedes and Hector North targets within potential trucking distance of the Paris deposit. At Uno/Morgans drilling undertook first-pass tests of silver / copper geochemical targets with epithermal characteristics. Much of the drilling provided research samples for comparative studies of the Paris and Uno/Morgans systems in the newly-recognised Uno epithermal province.
- A helicopter-borne geophysical (magnetic and radiometric) survey for a total of 3,500 line km on a 100m line spacing to produce more detailed magnetic maps over Ajax, Helen and Thurlga to assist developing new targets and geological understanding.
- Remodelling of the Helen copper prospect, on the rim of the interpreted Nankivel granodiorite, which showed at least eight other magnetic targets, mostly larger in size

than the Helen magnetic body, around the 10km Nankivel Rim. Two holes for 486m were drilled, with encouraging results, upgrading the Paris-Nankivel mineral system model.

- Regional soil sampling over much of the Uno and Morgans tenements to progress the geophysical targets. A total of 747 samples were collected on a 500m by 500m grid and were submitted for the "standard" 32-elements analysis.
- First-pass soil sampling was undertaken on a 500m sample grid over much of the Thurlga JV tenement in conjunction with prospecting which resulted in encouraging soil geochemical anomalies in silver, copper, nickel and/or gold. Ironstone outcrop which supports the concept for new high-grade target opportunities in the Uno Fault was also discovered.
- Drilling and mapping near Paris demonstrated the best potential for additional silver discoveries were in the Argos trend north of Paris and the Uno Fault on the northern extensions of Diomedes. Both areas require heritage surveying ahead of drilling planned later in 2015. Internal studies were conducted for development options for the Paris Resource.
- A review of the Paris Resource was initiated to include additional 2014 drilling on the northern extensions and a better understanding of the geology for the complex Paris deposit.
- The potential for nickel discovery was recognised after year-end throughout the Company's tenements on the northern Eyre Peninsula at Diomedes near Paris, Thurlga and Uno/Morgans. This will be pursued as an easily facilitated adjunct to the silver and copper exploration of those areas.
- On the Northern Yorke Peninsula, two diamond holes (691m) were drilled at the Roundabout and Spyall targets. Shallow and prospective basement with haematite, magnetite and trace iron sulphides intersected at Spyall and deeper less-prospective magnetite-altered rocks intersected at Roundabout. Visual results warrant further investigation of the highly prospective area for IOCG copper-gold deposits.

Financial Position

Exploration expenditure for the year was $4,191,203, of which $2.25 million was directed to the Paris / Nankivel opportunities situated near the Paris silver deposit. Net administration expenses and employee benefits for the year totalled approximately $1.6 million. In addition a research and development tax refund of $2.3 million was received during the year.

The loss for the year included $2.85 million of previously capitalised exploration expenditure relating to the Jungle Dam iron ore project. With the fall in iron ore prices over the past year, the Directors formed t

hat view that the deposit would not be commercially viable and accordingly decided to write off the capitalised expenditure.

At 30 June 2015, the Company had total cash and cash equivalents of $2.6 million.

During the period the Company completed the Shortfall Placement program announced in the previous year to raise $2.5 million.

Outlook and Future Developments

Goals for the exploration programme for the 2016 financial year will involve:

- Complete the review of the Paris Resource commenced toward the end of the 2015 year.
- Continue with internal studies and evaluations for development options of the Paris silver deposit. Work to progress in a staged manner, aimed at enhancing the project economics and making the project robust in the current economic climate.

- The drilling of potential large copper targets within the Peterlumbo tenement area.
- Other large targets within the Paris mineral system require heritage surveying and refinement, ahead of intended drilling later in 2015. These include; copper targets on the eastern side of the Nankivel Rim, silver targets at Nankivel West and Argos along the Paris structural trend and the concept of vertical high-grade silver deposits with small soil footprints at dyke intersections with the Uno Fault.
- At Uno/Morgans, with the recent understanding of the geology and mineralisation within large segments of the Uno Fault, initial mapping of large silver targets as conceptual vertical Imiter-style deposits, at 12 Mile/Morgans will be assessed as a priority. Assessment of the new drilling information for the Yorke Peninsula project for any vectors to potential IOCG targets in adjacent geophysical features.

REMUNERATION REPORT (AUDITED)

A. Principles and Agreements

Directors

The Company's Constitution provides that the Directors may be paid, as remuneration for their services, a sum determined from time to time by the Company's Shareholders in general meeting, with that sum to be divided amongst the Directors in such manner as they agree.

Each of the non-executive Directors has entered into an agreement with the Company on standard commercial terms for their respective appointments. Remuneration and other special terms of the agreements are summarised as follows:

Roger Marshall

- appointment as non-executive Chairman (subject to re-election as required by the Company's constitution);
- annual directors fees of $77,000 inclusive of a 10% superannuation entitlement where appropriate.

David Jones

- appointment as non-executive Director (subject to re-election as required by the Company's constitution);
- annual director's fees of $55,000 inclusive of a 10% superannuation entitlement where appropriate.

Bruce Foy

- appointment as non-executive Director (subject to re-election as required by the Company's constitution);
- annual director's fees of $55,000 inclusive of a 10% superannuation entitlement where appropriate.

At the Annual General Meeting held on 25 November 2014, Shareholders voted in favour of a resolution to require Directors to acquire 50,000 shares in the Company each year with the acquisition to be paid in lieu of an increase in Directors' fees.

A Director is disallowed from voting on any contract or arrangement in which he or she has directly or indirectly any material interest, if it will be contrary to the *Corporations Act 2001*. If such a Director does vote, his or her vote will not be counted, nor will his or her attendance be counted in the quorum present at the meeting. Either or both of these prohibitions may be relaxed or suspended to any extent by ordinary resolution passed at a general meeting if permitted by the *Corporations Act 2001*.

Managing Director Service Agreement

The Company has entered into an employment agreement with John Anderson for him to act as Managing Director. Remuneration payable pursuant to the package is as follows:

- Base salary for the 2015 financial year of $275,625 per annum (subject to annual review).
- Superannuation entitlement at 15% of the base salary.
- Annual short term incentives of up to $100,000 with the quantum to be assessed in accordance with KPI to be agreed by the Board and the Managing Director.
- Long term incentives through the annual issue of share options having a value of up to $80,000.

The agreement may be terminated by the Company giving 12 months' notice or paying 12 months' salary in lieu of notice.

Company Secretary

The Company has entered into an agreement with Garry Gill and his company to provide services as Company Secretary and Chief Financial Officer. Services are to be provided on a part time basis and at a rate of $10,000 per month plus GST plus expenses. The agreement may be terminated by either party on 1 months' notice.

Senior Management and Senior Technical Staff

To achieve its objectives of discovery of economic resources in a cost effective manner, the Company aims to attract and retain a skilled senior management and senior technical team focused upon contributing to that objective. To do this the Board has established a principle of offering competitive remuneration packages including the provision of long term incentives (LTIs). LTIs comprise the annual offering of share options to the value of up to 10% of an employee's base salary. Options are issued in accordance with the Company's Employee Share Option Plan approved by shareholders at the 2012 Annual General Meeting.

Relationship between Remuneration Policy and Financial Performance

The Company is a minerals exploration entity and as such there is no direct relationship between the remuneration policy and the Company's financial performance.

Share prices at the end of the current financial year and the previous four financial years were:

	2015	**2014**	**2013**	**2012**	**2011**
Share Price (cps)	1.3	4.0	12.7	18.6	4.8

Share prices are subject to market sentiment and the international metal prices which move independently of the performance of the Key Management Personnel.

No salary increases were provided to Key Management Personnel in the 2015 financial year.

B. Key Management Personnel Remuneration

Remuneration received or receivable by Key Management Personnel was as follows:

Key Management Personnel	Short-term Benefits Fees and/or Salary	Cash, Profit Sharing / Other Bonuses	Post-Employment Benefits Super - annuation	Long Service Leave	Share Based Payments - Options	Total	Performance based remuneration	Remun-eration at Risk - STI
	$	$	$		$	$	%	%
2015								
R. Marshall[1]	71,365	-	7,000	-	-	78,365	-	-
J. A. Anderson	282,516	100,000	34,453	8,287	35,156	460,412	29.4%	21.7%
D. G. Jones[1]	21,737	-	34,628	-	-	56,365	-	-
B. E. Foy[1]	51,365	-	5,000	-	-	56,365	-	-
G. C. Gill	120,000	-	-	-	-	120,000	-	-
C. P. Skidmore[2]	26,897	-	691	-	-	27,588	-	-
A. R. T. Thin	193,500	-	25,500	-	19,995	238,995	8.4%	-
Totals	**767,380**	**100,000**	**107,272**	**8,287**	**55,151**	**1,038,090**	**14.9%**	**9.6%**
2014								
R. Marshall[1]	50,568	-	30,333	-	-	80,902	-	-
J. A. Anderson	291,633	100,000	25,336	60,098	36,390	513,457	26.6%	19.5%
D. G. Jones[1]	31,402	-	27,500	-	-	58,902	-	-
B. E. Foy[1]	53,902	-	5,000	-	-	58,902	-	-
G. C. Gill	120,000	-	-	-	-	120,000	-	-
C. P. Skidmore[2]	210,000	-	19,425	-	21,186	250,611	8.5%	-
A. R. T. Thin	187,069	-	25,458	-	20,085	232,612	8.6%	-
Totals	**944,574**	**100,000**	**133,053**	**60,098**	**77,661**	**1,315,386**	**13.5%**	**8.0%**

1. Fees for each non-executive Director for the 2015 financial year includes $1,365 (2014: $3,902) paid to acquire 50,000 of the Company's shares on market in accordance with a resolution passed at the AGM on 25 November 2014.
2. C.P. Skidmore (Project Manager - Paris Project) resigned effective 11 July 2014.

Details of options over unissued shares issued as part of the Key Management Personnel remuneration during the financial year were as follows:

	J.A. Anderson	A. R. T. Thin
Number	3,835,000	2,340,000
Grant Date	25-Nov-14	18-Feb-15
Value at Grant Date	$35,156	$19,995
Number Vested	3,835,000	2,340,000
Exercise Price (cents per option)	$0.021	$0.020
Expiry Date	25-Nov-17	18-Feb-18

C. Equity Instruments

a) Movements in share holdings

The movement during the year in the number of ordinary shares in the Company held directly, indirectly or beneficially by each key management person, including their related parties, follows:

Name	Balance at beginning of year	Acquired			Balance at end of the year
2015		**As Remuneration**	**On Market**	**Rights Issues**	
R. Marshall	3,435,140	50,000	-	-	3,485,140
J. A. Anderson	1,792,063	-	-	-	1,792,063
B. E. Foy	3,901,338	50,000	-	-	3,951,338
D. G. Jones	807,672	50,000	-	-	857,672
G. C. Gill	252,529	-	-	-	252,529
C. P. Skidmore 1	-	-	-	-	-
A. R. T. Thin	408,199	-	-	-	408,199
2014					
R. Marshall	2,403,670	50,000	-	981,470	3,435,140
J. A. Anderson	1,280,044	-	-	512,019	1,792,063
B. E. Foy	2,286,670	50,000	450,000	1,114,668	3,901,338
D. G. Jones	526,908	50,000	-	230,764	807,672
G. C. Gill	252,529	-	-	-	252,529
C. P. Skidmore 1	-	-	-	-	-
A. R. T. Thin	245,699	-	-	162,500	408,199

1. C.P. Skidmore (Project Manager - Paris Project) resigned effective 11 July 2014.

Shares acquired as part of Directors' remuneration during the period were acquired on market in accordance with a resolution of shareholders passed at the Annual General Meeting held on 25 November 2014 (refer Note 16 (a)).

All on market purchases and sales complied with the Board's Securities Trading Policy which permits trading by Directors and executives during certain periods in the absence of knowledge of price-sensitive information.

b) Movement in option holdings

The movement during the year in the number of options over ordinary shares in the Company held directly, indirectly or beneficially by each key management person, including their related parties, was as follows:

Name	Balance at beginning of year	Acquired as Remuneration	Acquired – Rights Issue	Disposals		Balance at end of the year
2015				**Exercised**	**Lapsed**	
R. Marshall	981,470	-	-	-	-	981,470
J. A. Anderson	4,817,019	3,835,000	-	-	(2,250,000)[1]	6,402,019
B. E. Foy	1,114,668	-	-	-	-	1,114,668
D. G. Jones	230,764	-	-	-	-	230,764
G. C. Gill	200,000	-	-	-	(200,000)[2]	-
C. P. Skidmore	1,065,000	-	-	-	(1,065,000)[3]	-
A. R. T. Thin	1,012,500	2,340,000	-	-	-	3,352,500
2014						
R. Marshall	-	-	981,470	-	-	981,470
J. A. Anderson	4,485,000	1,150,000	512,019	-	(1,330,000)[1]	4,817,019
B. E. Foy	-	-	1,114,668	-	-	1,114,668
D. G. Jones	-	-	230,764	-	-	230,764
G. C. Gill	200,000	-	-	-	-	200,000
C. P. Skidmore	575,000	490,000	-	-	-	1,065,000
A. R. T. Thin	490,000	360,000	162,500	-	-	1,012,500

Notes:
1 Options issued to J A Anderson which lapsed during the year were issued in the 2011 financial year (2014: 2010)
2 Options issued to G C Gill which lapsed during the year were issued in the 2011 financial year
3 Options issued to C P Skidmore which lapsed following his cessation of employment were issued in the 2012 (100,000 options), 2013 (475,000 options) and 2014 (490,000 options) financial years

End of audited Remuneration Report

DIRECTORS' AND COMMITTEE MEETINGS

The number of meetings of the Company's Board of Directors held during the year and the number of meetings attended by each Director was:

Director	2015	
	Eligible to Attend	**Attended**
R. Marshall	11	10
J. A. Anderson	11	11
D. G. Jones	11	10
B. E. Foy	11	10

Due to its size and activities the Company does not have separate Board committees.

DIVIDENDS

No dividends were declared and paid during the financial year.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no significant changes in the state of affairs of the Company during the year, other than disclosed in this report.

SIGNIFICANT EVENTS AFTER BALANCE DATE

On 17 July 2015, the Company advised that it had received Research and Development tax refund of $968,670 for experimental work conducted as part of the Company's studies of the nature of the geology and the mineral potential of its Gawler Craton tenements.

Other than as set out in this report and the attached financial statements, no matters or circumstances have arisen since 30 June 2015, 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.

LIKELY DEVELOPMENTS

During the next financial year, the Company will pursue the strategy set out in the Operating and Financial Review above.

INDEMNIFICATION OF DIRECTORS AND OFFICERS

The Company is required to indemnify Directors, and other officers of the Company against certain liabilities which they may incur as a result of or by reason of (whether solely or in part) being or acting as an officer of the Company.

During the financial year, the Company paid a premium to insure the Directors against potential liabilities for costs and expenses incurred by them in defending legal proceedings arising from their conduct while acting in the capacity of Director of the Company other than conduct involving wilful breach of duty in relation to the Company. The amount of the premium is not disclosed as it is considered confidential.

The Company provides no indemnity to any auditor.

ENVIRONMENTAL REGULATION

The Company's operations are subject to significant environmental regulation under Commonwealth, State and Territory legislation in relation to the discharge of hazardous waste and minerals arising from exploration activities conducted by the Company on any of its tenements. At the date of this report there have been no known breaches of any environmental obligations.

SHARE OPTIONS

At the date of this report there were 133,999,704 unissued ordinary shares under option (131,554,704 at 30 June 2015 and 62,147,386 at 30 June 2014). During the financial year ended 30 June 2015, no options were exercised. No options have been exercised since year end to the date of this report.

Each option is convertible to one ordinary share. An option holder does not have the right to participate in any other share issue of the Company or of any other entity.

AUDITOR INDEPENDENCE

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

NON-AUDIT SERVICES

The following non-audit services were provided by the entity's auditor, Grant Thornton. The Directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The nature and scope of non-audit service provided means that auditor independence was not compromised.

Grant Thornton received or is due to receive the following amounts for the provision of non-audit services during the year ended 30 June 2015.
:

	2015	**2014**
	$	**$**
Taxation compliance services	6,850	7,950

Signed in accordance with a resolution of the Directors.

R Marshall OBE
Chairman
Brisbane
1 September 2015

J A Anderson
Managing Director

Grant Thornton Audit Pty Ltd
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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 audit of Investigator Resources Limited for the year ended 30 June 2015, 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

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

Cameron Smith

CDJ Smith
Partner - Audit & Assurance

Brisbane, 1 September 2015

INVESTIGATOR RESOURCES LIMITED

ABN 90 115 338 979

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 30 June 2015

	Note	Consolidated 2015 $	2014 $
Other Income	2	98,273	93,326
Less expenses:			
Administrative expenses	3	(866,043)	(909,727)
Employee benefit expenses	3	(793,497)	(1,043,880)
Profit on disposal of plant & equipment		12,207	-
Exploration and evaluation expenses written off	11	(3,073,766)	(718,065)
Loss before income tax expense		**(4,622,826)**	**(2,578,346)**
Income tax expense	4	2,302,250	986,032
Loss attributable to members of the company		**(2,320,576)**	**(1,592,314)**
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year attributable to the members of the company		**(2,320,576)**	**(1,592,314)**
Basic and diluted earnings per share (cents per share)	5	(0.51)	(0.47)

The accompanying notes form part of these financial statements

INVESTIGATOR RESOURCES LIMITED

ABN 90 115 338 979

STATEMENT OF FINANCIAL POSITION

as at 30 June 2015

	Note	Consolidated 2015 $	Consolidated 2014 $
CURRENT ASSETS			
Cash and cash equivalents	6	2,588,279	2,931,300
Trade and other receivables	7	17,225	33,029
Inventories	8	9,984	3,207
Total Current Assets		**2,615,488**	**2,967,536**
NON CURRENT ASSETS			
Other assets	9	31,465	31,089
Plant and equipment	10	232,195	434,305
Exploration and evaluation assets	11	27,162,744	26,045,307
Total Non-Current Assets		**27,426,404**	**26,510,701**
TOTAL ASSETS		**30,041,892**	**29,478,237**
CURRENT LIABILITIES			
Trade and other payables	12	132,189	173,205
Employee benefit provisions	13(a)	209,795	211,981
Total Current Liabilities		**341,984**	**385,186**
NON CURRENT LIABILITIES			
Employee benefit provisions	13(b)	107,566	60,098
Total Non-Current Liabilities		**107,566**	**60,098**
TOTAL LIABILITIES		**449,550**	**445,284**
NET ASSETS		**29,592,342**	**29,032,953**
EQUITY			
Contributed equity	14	44,937,503	42,176,482
Share option reserve	15	866,739	747,795
Accumulated losses		(16,211,900)	(13,891,324)
TOTAL EQUITY		**29,592,342**	**29,032,953**

The accompanying notes form part of these financial statements

INVESTIGATOR RESOURCES LIMITED

ABN 90 115 338 979

STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2015

	Note	Share Capital $	Accumulated Losses $	Share Option Reserve $	Total $
2014					
Balance at 30 June 2013		40,309,316	(12,299,010)	593,000	28,603,306
Transactions with owners:					
Shares issued during the period		2,117,055	-	-	2,117,055
Share issue costs		(249,889)	-	-	(249,889)
Options issued to employees		-	-	77,134	77,134
Options issued to key management personnel		-	-	77,661	77,661
Total transactions with owners		**1,867,166**	**-**	**154,795**	**2,021,961**
Loss attributable to members of the company		-	(1,592,314)	-	(1,592,314)
Balance at 30 June 2014		**42,176,482**	**(13,891,324)**	**747,795**	**29,032,953**
2015					
Transactions with owners:					
Shares issued during the period		2,932,533	-	-	2,932,533
Share issue costs		(171,512)	-	-	(171,512)
Options issued to employees		-	-	63,793	63,793
Options issued to key management personnel		-	-	55,151	55,151
Total transactions with owners		**2,761,021**	**-**	**118,944**	**2,879,965**
Loss attributable to members of the company		-	(2,320,576)	-	(2,320,576)
Balance at 30 June 2015		**44,937,503**	**(16,211,900)**	**866,739**	**29,592,342**

The accompanying notes form part of these financial statements

INVESTIGATOR RESOURCES LIMITED

ABN 90 115 338 979

STATEMENT OF CASH FLOWS

for the year ended 30 June 2015

		Consolidated	
		2015	**2014**
		$	**$**
CASH FLOWS FROM OPERATING ACTIVITIES			
Interest received		93,220	158,868
Research and development refund		2,302,250	986,032
Payments to suppliers and employees		(1,358,636)	(1,587,899)
Net cash provided by (used in) operating activities	17	**1,036,834**	**(442,999)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Exploration expenditure		(4,165,963)	(6,424,001)
Proceeds from disposal of plant and equipment		37,727	(3,127)
Net cash provided by (used in) investing activities		**(4,128,236)**	**(6,427,127)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		2,932,533	2,117,055
Costs associated with share issue		(184,152)	(237,249)
Net cash provided by (used in) financing activities		**2,748,381**	**1,879,806**
Net increase (decrease) in cash held		(343,021)	(4,990,320)
Cash at beginning of year		2,931,300	7,921,620
Cash at end of year	6	**2,588,279**	**2,931,300**

The accompanying notes form part of these financial statements

1. **Statement of Significant Accounting Policies**

The financial report covers the consolidated group of Investigator Resources Limited and its controlled entities. Investigator Resources Limited (the Company) is a for profit company limited by shares incorporated and domiciled in Australia. The Company's shares are publicly traded on the Australian Securities Exchange.

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of Preparation

This general purpose financial report has been prepared on a going concern basis in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*. Compliance with Australian Accounting Standards ensures that the financial statements and notes of Investigator Resources Limited comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

Basis of Accounting

These financial statements have been prepared on an accruals basis under the historical cost convention, as modified by the revaluation of selected noncurrent assets, financial assets and liabilities for which the fair value basis of accounting has been applied.

Functional and Presentation Currency

The Company's functional and presentation currency is Australian dollars.

The following is a summary of the material accounting policies adopted by the Company in the preparation of the Financial Statements.

(a) Principles of Consolidation

A controlled entity is any entity controlled by the Company. Control exists where the parent entity has the capacity to dominate the decision-making in relation to the financial and operating policies of another entity so that the other entity operates with the parent entity to achieve the parent entity's objectives. A list of controlled entities is contained at Note 19. All controlled entities have a June year end.

All inter-company balances and transactions between entities in the consolidated entity, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistencies with those policies applied by the parent entity.

Where controlled entities have entered or left the consolidated entity during the year, their operating results have been included from the date control was obtained or until the date control ceased.

(b) Income Tax

The charge for current income tax expense is based on the result for the period adjusted for non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted by the balance date.

Research and Development Tax Refunds are recognised as a tax credit on an as received basis. Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

1. **Statement of Significant Accounting Policies (continued)**

(b) Income Tax (continued)

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the Statement of Profit or Loss and Other Comprehensive Income except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the consolidated entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

(c) Goods & Services Tax

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Goods & Services Tax (GST) receivable from, or payable to, the Australian Taxation Office has been accounted for and included as part of receivables or payables in the Statement of Financial Position.

Cash flows are presented in the Statement of Cash Flows on a gross basis except for the GST component of investing activities, which are disclosed as an operating cash flow.

(d) Revenue Recognition

Interest income is recognised on a time proportion basis using the effective interest method. Research and Development Refunds are recognised on an as received basis.

(e) Exploration and Evaluation Expenditure

Exploration and evaluation expenditure incurred is recognised as exploration and evaluation assets, measured on the cost basis. The expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage which permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full in the Statement of Profit or Loss and Other Comprehensive Income in the year in which the decision to abandon the area is made.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest. Recoverability of the carrying amount of the exploration and evaluation assets is dependent on the successful development and commercial exploitation or alternatively sale of the respective areas of interest.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

1. **Statement of Significant Accounting Policies (continued)**

(f) Restoration Costs

Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with clauses of the exploration and mining permits. Such costs are determined using estimates of future costs, current legal requirements and technology on a discounted basis.

Any changes in the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

(g) Inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less any applicable selling expenses.

(h) Plant and equipment

Plant and equipment is measured on the cost basis.

The carrying amount of plant and equipment is reviewed annually by Directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Depreciation

The depreciable amount of all fixed assets, is depreciated on a straight-line basis over their useful lives to the consolidated entity commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Plant and equipment	4% - 40%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the income statement.

1. **Statement of Significant Accounting Policies (continued)**

(i) Financial Instruments

Recognition and Initial Measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument. Details of financial instruments are set out in Note 23. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially measured at fair value plus transactions costs where the instrument is not classified as being at fair value through the Statement of Profit or Loss and Other Comprehensive Income. Transaction costs related to instruments classified as at fair value through profit or loss are expensed through the Statement of Profit or Loss and Other Comprehensive Income immediately. Financial instruments are classified and measured as set out below.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in Statement of Profit or Loss and Other Comprehensive Income.

Financial assets at fair value through Profit or Loss

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management and within the requirements of AASB 139: Recognition and Measurement of Financial Instruments. Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the Statement of Profit or Loss and Other Comprehensive Income in the period in which they arise.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

Held-to-maturity investments

These investments have fixed maturities, and it is the group's intention to hold these investments to maturity. Any held-to-maturity investments held by the group are stated at amortised cost using the effective interest rate.

Available-for-sale financial assets

Available-for-sale financial assets include any financial assets not included in the above categories. Available-for-sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value are taken directly to equity.

Financial liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

1. **Statement of Significant Accounting Policies (continued)**

(i) Financial Instruments (continued)

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment

At each reporting date, the group assess whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a significant and prolonged decline in the value of the instrument is considered to determine whether impairment has arisen. Impairment losses are recognised in the Statement of Profit or Loss and Other Comprehensive Income.

(j) Interests in Joint Operations

The consolidated group's share of the assets, liabilities, revenue and expenses of joint venture operations are included in the appropriate items of the consolidated financial statements. Interests in joint venture operations are detailed at Note 18.

(k) Employee Benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year, together with entitlements arising from wages and salaries and annual leave, which will be settled after one year, have been measured at the amounts expected to be paid when the liability is settled, plus related on costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. Contributions are made by the entity to employee superannuation funds and are charged as expenses when incurred.

(l) Equity Settled Transactions

The Company has provided benefits to certain employees and key management personnel in the form of options.

The fair value of the equity to which employees become entitled is measured at grant date and recognised as an expense over the vesting period, with a corresponding increase to an equity account.

The fair value of options is ascertained using a Black Scholes pricing model. The number of shares and options expected to vest is reviewed and adjusted at each reporting date such that the amount recognised for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

(m) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of less than 3 months, net of bank overdrafts.

(n) Trade and Other Payables

Liabilities for trade creditors and other amounts are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the consolidated entity.

1. **Statement of Significant Accounting Policies (continued)**

(o) Borrowings

Borrowings are recorded initially at fair value, net of transaction costs. Subsequent to initial recognition, borrowings are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in the Statement of Profit or Loss and Other Comprehensive Income over the period of the borrowing using the effective interest rate method.

(p) Contributed Equity

Ordinary share capital is recognised at the fair value of the consideration received.

Any transaction costs arising on the issue of shares are recognised (net of tax) directly in equity as a reduction of the share proceeds received.

(q) Earnings per Share (EPS)

***Basic earnings per* Share**

Basic earnings per share is calculated by dividing the loss attributable to equity holders of the Company, excluding any costs of servicing equity other than shares, by the weighted average number of shares outstanding during the financial year, adjusted for any bonus elements in Shares issued during the year.

Diluted earnings per Share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential shares**.**

(r) Critical Accounting Estimates and Judgements

The Directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company.

The Company makes estimates and judgements in applying the accounting policies. Critical judgements in respect of accounting policies relate to exploration and evaluation assets, whereby exploration and evaluation expenditure is capitalised in certain circumstances. Recoverability of the carrying amount of any exploration and evaluation assets is dependent on the successful development and commercial exploitation or sale of the respective areas of interest.

(s) New Accounting Standards for First Time Application in Subsequent Periods

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 July 2015, and have not been applied in preparing these consolidated financial statements. Details of these new standards are set out below. None of these is expected to have a significant effect on the consolidated financial statements of the Company.

New/ revised Pronouncement	AASB 9 Financial Instruments (December 2014)
Superseded pronouncement	AASB 139 Financial Instruments: Recognition and Measurement
Nature of change	AASB 9 introduces new requirements for the classification and measurement of financial assets and liabilities. These requirements improve and simplify the approach for classification and

	measurement of financial assets compared with the requirements of AASB 139.
Effective date	1 January 2018
Likely impact on initial application	The entity is yet to undertake a detailed assessment of the impact of AASB 9. However, based on the entity's preliminary assessment, the Standard is not expected to have a material impact on the transactions and balances recognised in the financial statements when it is first adopted for the year ending 30 June 2019.
New/ revised Pronouncement	AASB 2014-3 Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations
Superseded pronouncement	None
Nature of change	The amendments to AASB 11 state that an acquirer of an interest in a joint operation in which the activity of the joint operation constitutes a 'business', as defined in AASB 3 Business Combinations, should: • apply all of the principles on business combinations accounting in AASB 3 and other Australian Accounting Standards except principles that conflict with the guidance of AASB 11. This requirement also applies to the acquisition of additional interests in an existing joint operation that results in the acquirer retaining joint control of the joint operation (note that this requirement applies to the additional interest only, i.e., the existing interest is not remeasured) and to the formation of a joint operation when an existing business is contributed to the joint operation by one of the parties that participate in the joint operation; and • provide disclosures for business combinations as required by AASB 3 and other Australian Accounting Standards.
Effective date	1 January 2016
Likely impact on initial application	When these amendments are first adopted for the year ending 30 June 2017, there will be no material impact on the transactions and balances recognised in the financial statements.
New/ revised Pronouncement	AASB 2014-4 Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation
Superseded pronouncement	None
Nature of change	The amendments to AASB 116 prohibit the use of a revenue- based depreciation method for property, plant and equipment. Additionally, the amendments provide guidance in the application of the diminishing balance method for property, plant and equipment. The amendments to AASB 138 present a rebuttable presumption that a revenue-based amortisation method for intangible assets is inappropriate. This rebuttable presumption can be overcome (i.e., a revenue-based amortisation method might be appropriate) only in two (2) limited circumstances: • The intangible asset is expressed as a measure of revenue, for example when the predominant limiting factor inherent in an intangible asset is the achievement of a revenue threshold (for instance, the right to operate a toll road could be based on a fixed total amount of revenue to be generated from

	cumulative tolls charged); or • When it can be demonstrated that revenue and the consumption of the economic benefits of the intangible asset are highly correlated.
Effective date	1 January 2016
Likely impact on initial application	When these amendments are first adopted for the year ending 30 June 2017, there will be no material impact on the transactions and balances recognised in the financial statements
New/ revised Pronouncement	AASB 2014-9 Amendments to Australian Accounting Standards – Equity Method in Separate Financial Statements
Superseded pronouncement	None
Nature of change	The amendments introduce the equity method of accounting as one of the options to account for an entity's investments in subsidiaries, joint ventures and associates in the entity's separate financial statements.
Effective date	1 January 2016
Likely impact on initial application	When these amendments are first adopted for the year ending 30 June 2017, there will be no material impact on the transactions and balances recognised in the financial statements.
New/ revised Pronouncement	AASB 2014-10 Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
Superseded pronouncement	None
Nature of change	The amendments address a current inconsistency between AASB 10 Consolidated Financial Statements and AASB 128 Investments in Associates and Joint Ventures (2011). The amendments clarify that, on a sale or contribution of assets to a joint venture or associate or on a loss of control when joint control or significant influence is retained in a transaction involving an associate or a joint venture, any gain or loss recognised will depend on whether the assets or subsidiary constitute a business, as defined in AASB 3 Business Combinations. Full gain or loss is recognised when the assets or subsidiary constitute a business, whereas gain or loss attributable to other investors' interests is recognised when the assets or subsidiary do not constitute a business. This amendment effectively introduces an exception to the general requirement in AASB 10 to recognise full gain or loss on the loss of control over a subsidiary. The exception only applies to the loss of control over a subsidiary that does not contain a business, if the loss of control is the result of a transaction involving an associate or a joint venture that is accounted for using the equity method. Corresponding amendments have also been made to AASB 128 (2011).
Effective date	1 January 2016
Likely impact on initial application	When these amendments are first adopted for the year ending 30 June 2017, there will be no material impact on the transactions and balances recognised in the financial statements.
New/ revised	AASB 2015-1 Amendments to Australian Accounting Standards – Annual

Pronouncement	Improvements to Australian Accounting Standards 2012-2014 Cycle
Superseded pronouncement	None
Nature of change	These amendments arise from the issuance of Annual Improvements to IFRSs 2012-2014 Cycle in September 2014 by the IASB. Among other improvements, the amendments clarify that when an entity reclassifies an asset (or disposal group) directly from being held for sale to being held for distribution (or vice-versa), the accounting guidance in paragraphs 27-29 of AASB 5 Non-current Assets Held for Sale and Discontinued Operations does not apply. The amendments also state that when an entity determines that the asset (or disposal group) is no longer available for immediate distribution or that the distribution is no longer highly probable, it should cease held-for-distribution accounting and apply the guidance in paragraphs 27-29 of AASB5.
Effective date	1 January 2016
Likely impact on initial application	When these amendments are first adopted for the year ending 30 June 2017, there will be no material impact on the transactions and balances recognised in the financial statements.

New/ revised Pronouncement	AASB 2015-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101
Superseded pronouncement	None
Nature of change	The amendments: • clarify the materiality requirements in AASB 101, including an emphasis on the potentially detrimental effect of obscuring useful information with immaterial information • clarify that AASB 101's specified line items in the statement(s) of profit or loss and other comprehensive income and the statement of financial position can be disaggregated • add requirements for how an entity should present subtotals in the statement(s) of profit and loss and other comprehensive income and the statement of financial position • clarify that entities have flexibility as to the order in which they present the notes, but also emphasise that understandability and comparability should be considered by an entity when deciding that order • remove potentially unhelpful guidance in IAS 1 for identifying a significant accounting policy.
Effective date	1 January 2016
Likely impact on initial application	When these amendments are first adopted for the year ending 30 June 2017, there will be no material impact on the transactions and balances recognised in the financial statements

New/ revised Pronouncement	AASB 2015-3 Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality
Superseded pronouncement	None
Nature of change	The Standard completes the AASB's project to remove Australian guidance on

	materiality from Australian Accounting Standards.
Effective date	1 July 2015
Likely impact on initial application	When this Standard is first adopted for the year ending 30 June 2016, there will be no impact on the financial statements.

(t) Change in Accounting Policy – Research & Development Tax Refund

During the year, the Company changed its accounting policy with respect to the receipt of the Research and Development Tax Refund. The refund is now recognised as a credit to income tax expense, rather than Other Income. This change resulted in a restatement of the 2014 Statement of Profit and Loss and Other Comprehensive Income, with a reduction in other income of $986,032 and an increase in Income Tax Income of the same amount, with no net impact on Total Comprehensive Income for the period.

	Consolidated	
	2015	**2014**
	$	**$**
2. Other Income		
Operating activities:		
Interest received and receivable from other persons	98,273	93,326
3. Expenses from Continuing Operations		
Employee benefit expenses		
Benefits provided to employees	1,837,774	2,177,583
Charged to exploration and evaluation projects	(1,163,221)	(1,288,498)
Employee options expense	118,944	154,795
Total employee benefits expense	**793,497**	1,043,880
Administrative expenses:		
Audit fees	36,129	41,053
Other services paid to auditor	6,200	7,950
Company secretarial fees	120,000	120,000
Depreciation	176,590	213,596
Directors fees (non-executives)	191,094	198,705
Insurance and legal	19,527	55,779
Minimum lease rental payments	90,418	89,654
Office expenses	257,206	371,954
Recruitment	-	4,917
Shareholder communications	98,804	116,108
Expenditure allocated to exploration and evaluation projects	(129,925)	(309,989)
Total administrative expenses	**866,043**	909,727

	Consolidated 2015 $	Consolidated 2014 $
4. Income Tax		
(a) The components of income tax expense comprise		
Current tax –research & development refund	2,302,250	986,032
Deferred tax	-	-
	2,302,250	986,032
(b) The prima facie tax on loss from ordinary activities before income tax is reconciled to the income tax as follows:		
Net profit/(loss)	(2,320,576)	(1,592,314)
Prima facie tax benefit on profit/(loss) from ordinary activities before income tax at 30%	(696,173)	(477,694)
Add/(less) tax effect of:		
Adjustment for non-deductible expenses	41,208	53,336
Temporary differences:		
Deductible capital raising costs	(98,700)	(129,698)
Allowable exploration and evaluation expenditure	(1,081,570)	(1,743,484)
Prior period exploration and evaluation expenses written off	889,018	209,547
Net non-allowable expenses	(7,980)	16,549
Reduction of losses in prior periods	556,619	-
	(397,578)	(2,071,444)
Tax effect of deferred tax assets not brought to account as they do not meet the recognition criteria	**(397,578)**	(2,071,444)
(c) Unused tax losses and temporary differences for which no deferred tax asset has been recognised at 30%	**(12,355,168)**	(11,957,590)

5. Earnings Per Share

	No.	No.
Weighted average number of ordinary shares outstanding during the period used in the calculation of basic and diluted EPS	**454,365,045**	339,978,666

The weighted average number of shares for the 2014 financial year was subjected to retrospective amendment as a result of the share issues of conducted subsequent to the year end. The adjustment factor represented by the ratio of the fair value of all shares on issue before the closure of the Shortfall Prospectus and the theoretical share price as a result of the share issues was 1.0013.

Options are considered potential ordinary shares. For the year ended 30 June 2015, their conversion to ordinary shares would have had the effect of reducing the loss per share from continuing operations. Accordingly the options were not included in the determination of diluted earnings per share for that period. Details relating to options are set out at notes 14(b), 14(c) and 16(b).

6. Cash and Cash Equivalents

Cash at bank and on hand	**2,588,279**	2,931,300

	Consolidated 2015 $	2014 $
7. Trade and Other Receivables		
Other receivables	**17,225**	33,029
8. Inventories		
Diesel fuel	**9,984**	3,207
9. Other Assets		
Non-current		
Deposits and bonds	**31,465**	31,089
10. Plant and Equipment		
Plant and equipment at cost	776,114	834,791
Accumulated depreciation	(543,919)	(400,486)
Balance	**232,195**	434,305
Movements in property plant and equipment:		
Opening written down value	434,305	644,774
Additions	-	3,127
Proceeds from disposal of plant and equipment	(37,727)	-
Profit on disposal of plant and equipment	12,207	-
Disposals and zero value assets written off	-	(545,182)
Depreciation expense	(176,590)	(213,596)
Depreciation written back on disposal or write off of zero value assets	-	545,182
Closing written down value of plant and equipment	**232,195**	434,305
11. Exploration and Evaluation Asset		
Exploration and evaluation expenditure carried forward in respect of areas of interest are:		
Exploration and evaluation phase - at cost	**27,162,744**	26,045,307
Movement in exploration and evaluation asset:		
Opening balance - at cost	26,045,307	20,932,183
Capitalised exploration expenditure	4,191,203	5,831,189
Written off from discontinued areas of interest	(3,073,766)	(718,065)
Carrying amount at the end of the period	**27,162,744**	26,045,307

Recoverability of the carrying amount of exploration assets is dependent on the successful exploration and development of projects or alternatively through the sale of the areas of interest.

12. Trade and Other Payables

Current unsecured:		
Trade payables	82,253	113,986
Sundry payables and accrued expenses	49,936	59,219
Total payables (unsecured)	**132,189**	173,205

Trade and other payables are non-interest bearing and have maturity dates of less than 90 days. The fair value of the liabilities is determined in accordance with the accounting policies disclosed in Note 1 to the financial statements.

13 Employee Benefit Provisions

a) Current

Annual Leave	**209,795**	211,981
Movement in the provision was as follows:		
Opening balance	211,981	157,070
Entitlements	123,570	144,225
Payments	(125,756)	(89,314)
Closing balance	**209,795**	211,981

b) Non-Current

Long Service Leave	**107,566**	60,098
Movement in the provision was as follows:		
Opening balance	60,098	-
Entitlements	47,468	60,098
Payments	-	-
Closing balance	**107,566**	60,098

14. Contributed Equity

(a) Fully paid ordinary shares	**44,937,503**	42,176,482

The share capital of Investigator Resources Limited consists only of fully paid ordinary shares, which do not have a par value. All shareholders participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held. At shareholders' meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

Balance at the beginning of the reporting period	42,176,482	40,309,316
Shares issued in prior period	-	2,117,055
Issued in consideration for acquisition of 25% of Peterlumbo JV	456,440	-
Issued for $0.04 each pursuant to Rights Issue Shortfall Prospectus	2,476,093	-
Total shares issued during the financial year	2,932,533	2,117,055
Less share issue costs	(171,512)	(249,889)
Balance at reporting date	**44,937,503**	42,176,482

14. Contributed Equity (continued)

(a) Fully paid ordinary shares (continued)

	Consolidated	
	2015	**2014**
	No.	**No.**
Number at the beginning of the reporting period	388,374,073	335,656,687
Shares issued in prior period	-	52,717,386
Issued in consideration for acquisition of 25% of Peterlumbo JV	12,011,569	-
Issued for $0.04 each pursuant to Rights Issue Shortfall Prospectus	61,902,318	-
Balance at reporting date	**462,287,960**	388,374,073

(b) Listed Options

Number at the beginning of the reporting period	52,277,386	-
Issued in prior period	-	52,277,386
Issued pursuant to Rights Issue Shortfall Prospectus	61,902,318	-
Balance at reporting date	**114,179,704**	52,277,386

The options are listed on the ASX, have an exercise price of $0.10 per share and an expiry date of 31 March 2017.

(c) Unlisted Options

	Consolidated	
	2015	**2014**
	No.	**No.**
Balance at the beginning of the reporting period	9,870,000	7,105,000
Options issued to Key Management Personnel (KMP) during the period	6,175,000	2,000,000
KMP Options lapsed during the period	(3,515,000)	(1,330,000)
Options issued to Employees during the period	5,260,000	2,640,000
Employee options lapsed during the period	(415,000)	(105,000)
Employee Options exercised	-	(440,000)
Balance at reporting date	**17,375,000**	**9,870,000**

The Company issued 3,835,000 options to the Managing Director on 25 November 2014 pursuant to a resolution of shareholders at the Company's Annual General Meeting held on that date. The options are fully vested, unlisted, have an exercise price of 2.1 cents and may be exercised at any time prior to 25 November 2017.

Options were also issued to one other Key Management Personnel (2,340,000) and various employees (5,260,000) pursuant to the Company’s Employee Share Option Scheme and in accordance with their employment contracts. The options are fully vested, unlisted and have exercise prices and expiry dates as set out in Note 16(b) below.

The fair value of all options issued during the year as part of employee remuneration was $118,944 (2014: $154,795) and was determined using the Black Scholes model (refer Note 16 (b) for further information).

15. Reserves

Share Option Reserve

The share option reserve records items recognised as expenses or issue costs on valuation of options. (Refer to the Statement of Changes in Equity for a reconciliation of movements in the Reserve.)

16. Share Based Payments

a) Shares

Pursuant to a resolution of shareholders passed at the Annual General Meeting on 25 November 2014, Directors are required to acquire 50,000 shares in the Company each year with the acquisition to be paid in lieu of increases in Directors' fees. The shares were acquired on market at a price of $0.018 each. The cost of acquiring the shares including brokerage is included in the total of Directors fees disclosed at Note 3.

b) Unlisted Options

During the year unlisted fully vested options were issued to Key Management (including the Managing Director) and employees. Details of the options issued are set out at Note 14 (c) above.

The fair value of the options of $118,944 was determined using the Black Scholes option pricing model using the following inputs:

Weighted average share price ($)	0.018
Weighted average exercise price ($)	0.022
Weighted average volatility %	100.30
Weighted average risk free rate %	2.30
Days to expiry	1,096
Weighted average fair value of options $	23,134

Details of share options issued to KMP and other employees and weighted average exercise prices were as follows:

	KMP		Employees	
	No of Options	**Weighted Ave exercise price**	**No of Options**	**Weighted Ave exercise price**
Outstanding at 1 July 2013	5,550,000	$0.167	1,555,000	$0.195
Granted	2,000,000	$0.078	2,640,000	$0.063
Lapsed	(1,330,000)	$0.103	(105,000)	$0.213
Exercised	-		(440,000)	$0.059
Outstanding at 30 June 2014	**6,220,000**	**$0.152**	**3,650,000**	**$0.116**
Granted / Issued	6,175,000	$0.021	5,260,000	$0.024
Lapsed	(3,515,000)	$0.185	(415,000)	$0.251
Outstanding at 30 June 2015	**8,880,000**	$0.048	**8,495,000**	$0.053

17. Cash Flow Information

Reconciliation of Cash Flow from Operations with Loss after Income Tax:

	Consolidated 2015 $	Consolidated 2014 $
Loss from ordinary activities after income tax	(2,320,576)	(1,592,314)
Non-cash flows in profit from ordinary activities:		
Depreciation	176,590	213,596
Profit on disposal of plant and equipment	(12,207)	-
Employee provisions - current	(2,188)	54,912
Employee provisions – non current	47,468	60,098
Employee options expense	118,944	154,795
Exploration expenditure written off	3,073,766	718,065
Changes in operating assets and liabilities:		
(Increase)/Decrease in receivables	15,805	213,186
(Increase)/Decrease in inventory	(6,776)	(1,973)
(Decrease)/Increase in creditors and accruals	(53,992)	(263,364)
Cash flows from operations	**1,036,834**	(442,999)

18. Interests in Joint Operations and Farm - in Arrangements

The consolidated entity had interests in unincorporated joint operations at 30 June 2015 as follows:

	Percentage Interest 2015	Percentage Interest 2014
(a) Thurlga – Farm in agreement with Peninsula Resources Pty Ltd under which the Company has the right to earn a 75% interest in EL 5419 on the expenditure of $750,000. The initial phase expenditure of $200,000 was completed during the year and the Company has advised Adelaide Resources that it will continue with the farm in arrangements.	Nil	Nil
(b) Peterlumbo – From 14 July 2014, the Company became the 100% owner of the tenement previously subject to the Joint Venture.	100%	75%
(c) Kimba – From 2 February 2015, the Company became the 100% owner of the tenement previously subject to the Joint Venture.	100%	51%

19. Controlled Entities

Interests in controlled entities are as follows:

Name	Principal Activity	Country of Incorporation	Share	Ownership Interest		Carrying Amount of Investment	
				2015	2014	2015	2014
Sunthe Uranium Pty Ltd	Mineral exploration	Australia	Ordinary	100%	100%	1	1
Gilles Resources Pty Ltd	Mineral exploration	Australia	Ordinary	100%	100%	1	1
Silver Eyre Pty Ltd	Mineral exploration	Australia	Ordinary	100%	100%	1	1
Kimba Minerals Pty Ltd	Mineral exploration	Australia	Ordinary	100%	100%	1	1
Goyder Resources Pty Ltd	Mineral exploration	Australia	Ordinary	100%	100%	1	1
Gawler Resources Pty Ltd	Mineral exploration	Australia	Ordinary	100%	100%	1	1

20. Expenditure Commitments and Contingent Liabilities

a) Exploration Expenditure Commitments

The consolidated entity has certain obligations to perform exploration work and expend minimum amounts of money on such works on mineral exploration tenements.

These obligations will vary from time to time, subject to statutory approval. The terms of current and future joint ventures, the grant or relinquishment of licences and changes to licence areas at renewal or expiry, will alter the expenditure commitments of the consolidated entity.

Total expenditure commitments at balance date in respect of minimum expenditure requirements not provided for in the financial statements are approximately:

	2015	2014
Not later than one year	1,441,257	1,998,925
Later than one year but not later than two years:	248,729	758,160
Later than two years but not later than five years	45,771	-

b) Office Rental

The consolidated entity has entered into rental agreements to occupy its premises in Brisbane and Adelaide. Total expenditure commitments at balance date in respect of minimum expenditure requirements not provided for in the financial statements are approximately:

	2015	2014
Not later than one year	191,096	183,225
Later than one year but not later than two years:	53,995	70,072
Later than two years but not later than five years	-	-

21. Subsequent Events

On 17 July 2015, the Company advised that it had received Research and Development tax refund of $968,670 for experimental work conducted as part of the Company's studies of the nature of the geology and the mineral potential of its Gawler Craton tenements.

Other than as disclosed in this report, there has not arisen in the interval between the end of the reporting period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, to significantly affect the operations of the entity, the results of those operations or the state of affairs of the Company in future financial years.

22. Related Party Disclosures

During the year there were no transactions between related parties, other than those noted in the audited Remuneration Report. Where transactions with related parties occur, they are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Transactions with Key Management Personnel

Key management personnel remuneration includes the following expenses:

	2015	2014
Short term employee benefits:		
Salaries including bonuses	867,380	1,044,574
Total short term employee benefits	**867,380**	1,044,574
Long-term benefits:		
Long service leave	8,287	60,098
Total other long-term benefits	**8,287**	60,098
Post-employment benefits:		
Defined contribution pension plans	107,272	133,053
Total post-employment benefits	**107,272**	133,053
Share-based payments	55,151	77,661
Total remuneration	**1,038,090**	1,315,386

23. Financial Instruments

a) Financial Risk Management

The consolidated entity's financial instruments consist mainly of deposits with banks, short-term investments, accounts receivable, accounts payable and loans to related parties.

i) Treasury Risk Management

The Board of the consolidated entity considers interest rate exposure and evaluates treasury management strategies in the context of the most recent economic conditions and forecasts.

ii) Financial Risks

The main risks the consolidated entity is exposed to through its financial instruments are liquidity risk and credit risk. The consolidated entity has no exposure to foreign currency risk.

Liquidity risk

The consolidated entity manages liquidity risk by monitoring forecast cash flows.

Credit risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements.

23. Financial Instruments (continued)

a) Financial Risk Management (continued)

The credit risk for cash and cash equivalents is considered negligible as the consolidated entity invests its surplus funds with reputable Australian banks with high quality external credit ratings. The consolidated entity does not have any other material credit risk exposure to any single material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the consolidated entity.

b) Financial Instruments

i) Interest Rate Risk, Financial Instrument Composition and Maturity Analysis

The consolidated entity's exposure to interest rate risk is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates.

The following table details the period to maturity and exposure to interest rate risk at the reporting date. All other financial assets and liabilities are non-interest bearing and have maturity dates of less than 90 days.

	Weighted Average Interest Rate	Average Cash Balance $
2015		
Cash and cash equivalents	2.5%	3,912,080
2014		
Cash and cash equivalents	2.1%	4,376,460

ii) Net Fair Values

The carrying amount of financial assets and financial liabilities recorded in the financial statements represents their respective net fair values, determined in accordance with the accounting policies disclosed in Note 1 to the financial statements.

iii) Sensitivity Analysis

The group has performed sensitivity analysis relating to its exposure to interest rate risk at balance date. The sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in these risks.

Interest Rate Sensitivity Analysis

At 30 June 2015, the effect on profit and equity as a result of changes in the interest rate, with all other variables remaining constant would be as follows:

	Consolidated Group	
	2015 $	2014 $
Change in profit:		
Increase in interest rate by 2%	78,242	87,529
Decrease in interest rate by 2%	(78,242)	(87,529)
Change in Equity		
Increase in interest rate by 2%	78,242	87,529
Decrease in interest rate by 2%	(78,242)	(87,529)

24. Parent Entity Information

	2015 $	2014 $
Statement of Financial Position		
Current assets	2,615,487	2,967,536
Total assets	30,312,363	29,478,237
Current liabilities	341,983	385,187
Total liabilities	449,550	445,285
Net assets	**29,862,813**	29,032,953
Equity		
Issued capital	44,937,503	42,176,482
Share option reserve	866,739	747,795
Accumulated losses	(15,941,429)	(13,891,325)
Total equity	**29,862,813**	29,032,953
Statement of Profit or Loss and Other Comprehensive Income		
Income	98,273	93,326
(Loss) for the year	**(2,320,576)**	(1,592,314)

Commitments for the parent entity are the same as those for the consolidated entity and are set out at Note 20.

The parent entity has not entered into a deed of cross guarantee nor are there any contingent liabilities at year end.

25. Segment Information

The consolidated entity 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 consolidated entity operates in a single operating segment: that of the mineral exploration industry in Australia.

26. Company Information

The registered office and principal place of business is as follows:

Suite 48, Level 3 Benson House
2 Benson Street
TOOWONG QLD 4066

27. Authorisation of Financial Statements

The consolidated financial statements for the year ended 30 June 2015 (including comparatives) were approved and authorised for issue by the Board of Directors on 1 September 2015.

DIRECTORS' DECLARATION

The Directors of the company declare that:

1. the financial statements and notes are in accordance with the *Corporations Act 2001* and:

    a. comply with Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and

    b. give a true and fair view of the financial position as at 30 June 2015 and of the performance for the year ended on that date of the company and consolidated group;

2. the Chief Executive Officer and Chief Finance Officer have each declared that:

    a. the financial records of the company for the financial year have been properly maintained in accordance with section 286 of the *Corporations Act 2001*;

    b. the financial statements and notes for the financial year comply with the Accounting Standards; and

    c. the financial statements and notes for the financial year give a true and fair view;

3. 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.

4. Note 1 confirms that the consolidated financial statements also comply with International Financial Reporting Standards

Signed in accordance with a resolution of the Directors.

R Marshall OBE	**J A Anderson**
Chairman	**Managing Director**

Brisbane
1 September 2015

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

Report on the financial report

We have audited the accompanying financial report of Investigator Resources Limited (the "Group"), which comprises the consolidated statement of financial position as at 30 June 2015, 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 year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the consolidated entity comprising the Group and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The Directors of the Group are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001. The Directors' responsibility also includes such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. The Directors also state, in the notes to the financial report, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, the financial statements comply with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require us to comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the Group's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

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

Auditor's opinion

In our opinion:

a the financial report of Investigator Resources Limited is in accordance with the Corporations Act 2001, including:

  i giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the year ended on that date; and

  ii complying with Australian Accounting Standards and the Corporations Regulations 2001; and

b the financial report also complies with International Financial Reporting Standards as disclosed in the notes to the financial statements.

Report on the remuneration report

We have audited the remuneration report included in pages 6 to 10 of the directors' report for the year ended 30 June 2015. The Directors of the Group are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's opinion on the remuneration report

In our opinion, the remuneration report of Investigator Resources Limited for the year ended 30 June 2015, complies with section 300A of the Corporations Act 2001.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

Cameron Smith

CDJ Smith
Partner - Audit & Assurance

Brisbane, 1 September 2015