

**INVESTIGATOR RESOURCES LIMITED**

ABN 90 115 338 979

**HALF YEAR FINANCIAL REPORT**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2013**

# INVESTIGATOR RESOURCES LIMITED

ABN 90 115 338 979

## DIRECTORS' REPORT

Your Directors submit their report for the half year ended 31 December 2013.

### 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 loss for the half year ended 31 December 2013 of \$627,416 (2012: loss of \$491,579).

During the period the Company incurred some \$5 million on exploration with the primary focus being the completion of the resource estimate at the Paris silvery discovery and the conduct of exploration activities at the Company's exploration tenements.

The main activities during the half year included:

- Completion of the resource drilling and analysis at the Paris silver discovery culminating in the announcement of the Paris silver resource estimate on 15 October 2013.
- Metallurgical trials of Paris ore samples were conducted with strong recoveries received using conventional extraction processes.
- Step-out drilling confirmed Paris geology in prospective trends up to 2km from Paris.
- Drilling of Alexander, Hector and Alexander East targets within the Peterlumbo tenement provided mixed results but enhanced the knowledge and understanding of the geology in the region.
- Prospecting of Paris-sized silver and copper soil targets at the Uno / Morgans project located supporting epithermal outcrops and gossans.
- Further gravity surveying completed to refine semi-coincident magnetic and gravity targets at Roundabout and to investigate the Spyall and Reliance magnetic targets.

### Going Concern

This report adopts the going concern basis of accounting, which contemplates the realisation of assets and the discharge of liabilities and commitments in the ordinary course of business.

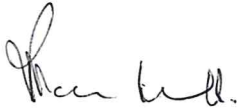
The Company is considering available fund raising alternatives and has appointed a Corporate Advisor to assist in this regard. Directors have a reasonable expectation based on the Company's previous ability to raise capital that they will be able to raise sufficient funds in the equity markets to provide sufficient levels of working capital for its ongoing needs. They believe therefore that the Company continues to be a going concern and that it will be able to pay its debts as and when they fall due for a period of 12 months from the date of this report.

On this basis the Directors believe that the going concern basis of presentation is appropriate. If for any reason the Group is unable to continue as a going concern, it would impact on the Group's ability to realise assets at their recognised values and to extinguish liabilities in the normal course of business at the amounts stated in the consolidated financial statements.

## **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  
25 February 2014



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 Ltd**

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the review of Investigator Resources Ltd for the half-year ended 31 December 2013, 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



CDJ Smith  
Partner - Audit & Assurance

Brisbane, 25 February 2014

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a subsidiary or related entity of Grant Thornton Australia Ltd ABN 41 127 556 389

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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 2013**

	Note	Consolidated	
		2013	2012
		\$	\$
Revenue	2	1,057,963	511,003
Administrative expenses	2	(494,196)	(580,942)
Employee benefit expenses	2	(513,777)	(401,646)
Exploration and evaluation expenditure written off	2	(677,406)	(19,994)
<b>Loss before income tax expense</b>		<b>(627,416)</b>	<b>(491,579)</b>
Income tax expense		-	-
<b>Comprehensive Loss</b>		<b>(627,416)</b>	<b>(491,579)</b>
Basic earnings and diluted earnings per share (cents per share)		(0.19)	(0.15)

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 2013**

	Note	Consolidated 31 December 2013 \$	30 June 2013 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	3	2,943,649	7,921,620
Receivables		89,378	661,391
Inventories		13,899	1,234
<b>Total Current Assets</b>		<b>3,046,926</b>	<b>8,584,245</b>
<b>NON CURRENT ASSETS</b>			
Exploration and evaluation assets		24,900,672	20,932,184
Property plant and equipment		538,379	644,774
Other financial assets		31,089	54,427
<b>Total Non-Current Assets</b>		<b>25,470,140</b>	<b>21,631,385</b>
<b>TOTAL ASSETS</b>		<b>28,517,066</b>	<b>30,215,630</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		300,533	1,455,254
Employee benefit provisions		186,691	157,070
<b>Total Current Liabilities</b>		<b>487,224</b>	<b>1,612,324</b>
<b>TOTAL LIABILITIES</b>		<b>487,224</b>	<b>1,612,324</b>
<b>NET ASSETS</b>		<b>28,029,842</b>	<b>28,603,306</b>
<b>EQUITY</b>			
Contributed equity		40,309,316	40,309,316
Share option reserve		646,952	593,000
Accumulated losses		(12,926,426)	(12,299,010)
<b>TOTAL EQUITY</b>		<b>28,029,842</b>	<b>28,603,306</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 2013**

	Note	Consolidated			Total
		Share Capital	Accumulated Losses	Share Option Reserve	
		\$	\$		\$
<b>2012</b>					
Balance at 1 July 2012		32,183,052	(11,074,159)	405,349	21,514,242
Shares issued during the period (net of costs)		8,126,264	-	-	8,126,264
Expired options reclassified to share capital		12,893	-	(12,893)	-
Options issued to key management personnel		-	-	105,354	105,354
Loss attributable to members of the company		-	(491,579)	-	(491,579)
<b>Balance at 31 December 2012</b>		<b>40,322,209</b>	<b>(11,565,738)</b>	<b>497,810</b>	<b>29,254,281</b>
<b>2013</b>					
Balance at 1 July 2013		40,309,316	(12,299,010)	593,000	28,603,306
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>

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 2013**

	Note	Consolidated	
		2013	2012
		\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Interest received		66,295	129,348
Research and development grant		986,032	308,893
Payments to suppliers and employees		(906,209)	(645,212)
<b>Net cash provided by (used in) operating activities</b>		<b>146,118</b>	<b>(206,971)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Exploration and evaluation expenditure		(5,120,962)	(5,553,154)
Purchase of property plant and equipment		(3,127)	(93,782)
<b>Net cash provided by (used in) investing activities</b>		<b>(5,124,089)</b>	<b>(5,646,936)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from issue of shares		-	8,631,359
Costs associated with share issue		-	(574,899)
<b>Net cash provided by (used in) financing activities</b>		<b>-</b>	<b>8,056,460</b>
Net increase / (decrease) in cash and cash equivalents during the period		(4,977,971)	2,202,553
Cash and cash equivalents at beginning of period		7,921,620	11,004,057
<b>Cash and cash equivalents at end of period</b>	<b>3</b>	<b>2,943,649</b>	<b>13,206,610</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 2013

#### 1. Basis of Preparation and Accounting Policies

This general purpose financial report for the interim half-year reporting period ended 31 December 2013 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 2013, 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 2013 annual report.

#### Going Concern

This report adopts the going concern basis of accounting, which contemplates the realisation of assets and the discharge of liabilities and commitments in the ordinary course of business.

The Company is considering available fund raising alternatives and has appointed a Corporate Advisor to assist in this regard. Directors have a reasonable expectation based on the Company's previous ability to raise capital that they will be able to raise sufficient funds in the equity markets to provide sufficient levels of working capital for its ongoing needs. They believe therefore that the Company continues to be a going concern and that it will be able to pay its debts as and when they fall due for a period of 12 months from the date of this report.

On this basis the Directors believe that the going concern basis of presentation is appropriate. If for any reason the Group is unable to continue as a going concern, it would impact on the Group's ability to realise assets at their recognised values and to extinguish liabilities in the normal course of business at the amounts stated in the consolidated financial statements.

Consolidated	
Half year ended 31 December 2013	Half year ended 31 December 2012
\$	\$

#### 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	986,032	308,893
Interest received from other persons	71,931	202,110
<b>Total revenue and other income</b>	<b>1,057,963</b>	<b>511,003</b>

**INVESTIGATOR RESOURCES LIMITED**  
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 ABN 90 115 338 979  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the half year ended 31 December 2013**

2. Revenue and expenses (continued)

	<b>Consolidated</b>	
	<b>Half year ended 31 December 2013 \$</b>	<b>Half year ended 31 December 2012 \$</b>
<b>Administrative expenses include</b>		
Audit fees	16,037	16,191
Company secretarial fees	60,000	60,000
Depreciation	109,522	111,815
Directors fees	105,205	118,585
Insurance and legal	11,570	10,625
Minimum lease rental payments	44,617	44,617
Office expenses	62,803	60,957
Shareholder communications and company promotion	144,054	185,292
Other expenses	99,584	111,925
Administration expenses charged to exploration	(159,196)	(139,066)
<b>Total administrative expenses</b>	<b>494,196</b>	<b>580,942</b>
<b>Employee benefit expenses include</b>		
Benefits provided to employees	1,130,918	982,845
Charged to exploration and evaluation projects	(671,093)	(686,553)
Employee options expense	53,952	105,354
<b>Total employee benefits expense</b>	<b>513,777</b>	<b>401,646</b>
<b>Exploration and evaluation expenditures include</b>		
Incurred in current year	28,914	2,527
Impairment of expenditure capitalised in prior years	648,491	17,467
<b>Total exploration and evaluation expenses</b>	<b>677,406</b>	<b>19,994</b>

3. Cash and Cash Equivalents

	<b>31 December 2013 \$</b>	<b>30 June 2013 \$</b>
Cash at bank and on hand	<b>2,943,649</b>	<b>7,921,620</b>

4. Expenditure Commitments, Contingent Liabilities and Joint Venture Contributions

There were no significant changes to the commitments and contingencies disclosed in the most recent annual financial report.

The Company's policy is to recognise Joint Venture partner contributions only on receipt. Where JV contributions relating to a period are received after the end of that period but prior to the date

**INVESTIGATOR RESOURCES LIMITED**

**and its controlled entity**

ABN 90 115 338 979

**NOTES TO THE FINANCIAL STATEMENTS**

**for the half year ended 31 December 2013**

of the report, they are treated as a receivable as at the end of that period. At the date of this report Joint Venture partner contributions due and receivable but not recognised were \$2,562,829 (exclusive of GST) (2012: 415,175).

**6. Subsequent Events**

On 20 February 2014, 440,000 fully paid ordinary shares were issued pursuant to the exercise of employee options. The exercise price of the options was 5.9 cents per ordinary share raising \$25,960.

No other matters or circumstances have arisen since 31 December 2013, 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**  
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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 2013 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

Brisbane  
25 February 2014



J A Anderson  
Managing Director

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 Consol statement of financial position as at 31 December 2013, and the Consol statement of Profit 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 statement or 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 2013 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of Investigator Resources Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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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.

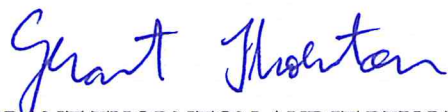
### **Conclusion**

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 2013 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.

### **Emphasis of matter regarding going concern**

Without qualification to the conclusion expressed above, we draw attention to Note 1 to the financial statements, which indicates that the Company is dependent on being able to raise sufficient funds in the equity markets to provide sufficient levels of working capital for its continuing operations. These conditions, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern and therefore, the Company may be unable to realise its assets and discharge its liabilities in the normal course of business, and at the amounts stated in the financial report.



GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants



CDJ Smith  
Partner - Audit & Assurance

Brisbane, 25 February 2014