

**INVESTIGATOR
RESOURCES
LIMITED**



Investigator Resources Limited

ABN 90 115 338 979

Half Year Financial Report - 31 December 2022

Investigator Resources Limited
Contents
31 December 2022



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Directors	Andrew McIlwain – Managing Director Andrew Shearer – Non-Executive Director Richard Hillis – Non-Executive Chair
Company Secretary	Ms Anita Addorisio
Principal place of business	47 King Street Norwood SA 5067
Share register	Computershare Limited Level 5, 115 Grenfell Street Adelaide SA 5000
Auditor	Grant Thornton Audit Pty Ltd Level 3, 170 Frome Street Adelaide SA 5000
Solicitors	Baker & McKenzie L19, CBW, 181 William Street Melbourne VIC 3000
Stock exchange listing	Investigator Resources Limited shares and options are listed on the Australian Securities Exchange (ASX code: IVR and IVRO)
Website	Website: www.investres.com.au

The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Investigator Resources Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2022 (the 'financial half-year' or the 'interim reporting period').

Directors

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

Andrew McIlwain – Managing Director
Andrew Shearer - Non-Executive Director
Richard Hillis - Non-Executive Chair

Principal activities

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

Dividends

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

Review of operations

The loss for the consolidated entity after providing for income tax amounted to \$857,372 (31 December 2021: \$615,312).

The net result for the financial half-year includes receipts of interest and other income of \$46,489 (31 December 2021: \$42,071).

During the period, the Company incurred \$1,939,583 expenditure on exploration activities across the Company's tenements, compared with \$1,790,877 for the prior corresponding period. The increase in exploration activity spend is as a result of the resumption of exploration activities across the Uno Range and Morgans tenements in addition to the continuing work undertaken on advancing the Paris Silver Project during the period, as detailed in the project summary within this report.

At 31 December 2022, the Company had a cash position of \$7,057,482.

The main activities during the half year included:

- **Paris Silver Project (Peterlumbo Tenement)**

The Company's 100% owned Paris Silver Project is located on South Australia's Eyre Peninsula, 70km northwest of the town of Kimba and hosts a JORC (2012) Mineral Resource Estimate of 53.1 million ounces of Silver and 97.6 thousand tonnes of lead at a 30 g/t silver cut-off (ASX 28 June 2021).

Following the successful capital raising in August 2020, the Company commenced the tasks required to complete a Pre-Feasibility Study ("PFS") on the Paris Project. The results of the PFS were reported to the ASX on 30 November 2021. The PFS identified strong Pre-Tax Economics resulting from the whole of ore leach processing route of the high grade, near-surface resource, near-surface resource, recovering and producing a silver dore product from a simple open-pit mine plan.

With an agreement reached with the Gawler Ranges Aboriginal Corporation (GRAC) - the Traditional Owners of the area surrounding Paris – to enable access to a previously restricted area south of Paris. a 29-hole exploration program, focussed on extension of the Paris Silver resource, was commenced. By year end, approximately 3,900m of the total of 4,800 metres of RC drilling was completed with initial encouraging results reported (ASX 18 January 2023). Post the end of the reporting period, the Company announced interim results from the Paris South exploration program (ASX 28 February 2023). Drilling at the Apollo prospect, following up the 2022 high-grade silver discovery is complete, with results also expected by mid-April.

Tasks necessary to complete a Definitive Feasibility Study on the Paris Silver Project, including tasks such as confirmation of process water supply, environmental surveys and final metallurgical recovery test work are progressing.

- **Uno, Morgans & Harris Bluff tenements**

The Company holds a suite of contiguous tenements approximately 100km to the east of the Peterlumbo tenement, that covers an area of approximately 250km². Highly prospective for base metals and silver, these tenements are adjacent to the Menninnie Dam silver/lead project held by Terramin (ASX: TZN).

During the period a Native Title Mining Agreement (NTMA) was finalised with GRAC enabling advanced exploration to be undertaken across the tenements. This will enable follow up drilling to the successful results reported during the period from the previous program (ASX 7 July 2022).

Negotiation towards establishing a Native Title Mining Agreement over the Harris Bluff tenement with the Registered Native Title Determinants has commenced.

- **Stuart Shelf tenements**

In late 2020 the Company entered into a Heads of Agreement with DGO Gold Pty Ltd (ASX:DGO, "DGO"), whereby DGO could spend up to \$6.36M in a three-stage program over 5 years, to earn up to an 80% interest in Investigator's Stuart Shelf tenements (ASX: 21 September 2020).

DGO have subsequently been taken over by ASX listed Gold Road Resources ASX:GRO, GRO) and GRO have continued work under this Heads of Agreement.

Exploration efforts are targeted on the discovery of Zambian Copper Belt (ZCB) style sediment-hosted copper and Iron Oxide Copper Gold (IOCG) targets on the Stuart Shelf.

GRO's expenditure at the end of the period was approximately \$1.82M (~91%) of their Stage 2 Commitment of \$2M towards earning a 51% interest in the tenements.

- **Molyhil Tungsten Project Earn-In**

During the period, Investigator entered into a Heads of Agreement for a staged Earn-In Agreement with Thor Mining PLC (Thor, ASX & AIM: THR) to acquire up to 80% of their permitted Molyhil Tungsten Project in Northern Territory (ASX 24 November 2022).

The transaction is considered a strategic and value-adding opportunity to enhance long term shareholder growth through a low risk earn-in to joint venture agreement.

The Molyhil Tungsten Project is a tungsten/molybdenite deposit hosted within a magnetite skarn located approximately 230km northeast of Alice Springs. Comprising two tenement packages – Molyhil and the adjacent Bonya – the Molyhil Project has been subject to a number of prior mining activities.

Investigator will commence a number of activities to advance exploration across these tenements in early 2023.

- **Cartarpo Cobalt-Copper Project**

The Company's 100% owned, Cartarpo tenement is located 175km north of Adelaide. Granted to the Company in 2017, application for renewal of the tenement has been submitted.

- **Curnamona Project**

The Company's Curnamona Project comprises the 100% owned Wiawera, Plumbago, Treloars and Olary tenements (ELs 5938, 6192, 6345 and 6253 respectively).

Close to the end of the period, Investigator executed a NTMA with the Wilyakali– the Traditional Owners of the Wiawera tenement area – enabling further exploration activities to be undertaken.

Additional soil sampling was undertaken to validate and extend prior coverage, and a detailed drone aeromagnetic survey was commissioned and commenced in December, with likely completion anticipated in early 2023.

- **White Spur - Tasmania**

The Company was granted exploration licence (EL2/2020) in the highly mineral endowed Mount Read Volcanic belt of North West Tasmania on 24 September 2020.

The White Spur tenement was identified through a “machine learning” or “neural analysis” targeting exercise as having similar characteristics to the Rosebery mine which has operated continuously from 1936, producing zinc, copper, lead and gold.

The 84km² tenement lies immediately to the south of the Rosebery and historic Hercules zinc mines and west of, and adjacent to the Henty Gold Mine that has produced approximately 1.3M oz since its commissioning in 1996.

An initial program of field access and logistical assessment including mapping was undertaken within the period. A program of work has been identified to progress the assessment of historic data, leading to the design of a drill program as the next stage work on the project.

- **Folwer Domain – South Australia**

Two tenement areas, covering approximately 1,900km² within the Folwer Domain within the Western Gawler area in South Australia were granted on 11 June 2021.

On 18 October 2021, the Company announced to the ASX the execution of an Earn-In/Joint Venture agreement with an unlisted entity, Osmond Resources, covering the two tenements. Osmond Resources issued 200,000 shares to the Company, with a further 900,000 shares to be issued subject to listing on the ASX. Osmond Resources Ltd listed on the ASX in April 2022 as ASX:OSM.

The Earn-In/Joint Venture agreement requires Osmond Resources to spend up to \$2.75 million over 6 years to earn 80% of the project.

Osmond Resources Ltd have informed the Company that they are preparing to undertake regional geophysical exploration across the tenements.

Investigator holds 1.1M OSM shares, which at 31 December 2022 had an approximate value of \$230,000. These shares are escrowed until April 2023.

Business Development

The Company continues to review opportunities for access to and or acquisition of projects within the domestic precious metals area, with a target profile of late-stage exploration through pre-development to production. The Investigator team has continued to actively review and assess acquisition opportunities.

Whilst market conditions are such that identifying potential acquisitions with compelling accretive value prospects is challenging, the Company remain committed to a disciplined process and evaluation in this pursuit.

Corporate Placement

On 14 December 2022, the Company announced that it had received firm commitments to raise \$4.2 million through a share placement, with funds raised to be directed to development studies and exploration activities at the Company's 100% owned Paris Silver Project, regional exploration and the initial work on the Molyhil Tungsten Project.

The shares were issued at \$0.042 (4.2 cents) per share and for each two shares issued, one option will be issued with an exercise price of \$0.063 (6.3 cents) per share, expiring on 8 March 2025, noting the Company would seek to list these options.

Additionally, shareholders on the register on the Record Date of 25 January 2023, will be entitled to acquire a Loyalty Option on a proportional basis of 1 option for every 5 shares held, at a cost of 0.1c per option.

On 20 January 2023, the Company announced the pro rata non-renounceable entitlement offer of one (1) Option (Loyalty Option) for every five (5) Shares held by those Shareholders registered at the record date of Wednesday, 25 January 2023 (Record Date) at an issue price of \$0.01 per New Option, with the Offer terms outlined in the Prospectus of even date.

In addition, the secondary purpose of the Prospectus provided for the issue of 50,000,011 Placement Options and 25,000,000 Broker Options following the Placement as announced on 14 December 2022 at a zero application price.

The Options Offer closed on 28 February 2023 and shareholders subscribed for 157,114,038 Loyalty Options, which raised \$157,114, representing a 54.8% take-up of their rights entitlement which were issued on 7 March 2023 and commenced trading on 8 March 2023..

The 50,000,011 Placement Options and 25,000,000 Broker Options were issued on 8 March 2023 and commenced trading on 9 March 2023.

Forward Looking Statements

This Interim Financial Report includes certain forward-looking statements that have been based on current expectations about future acts, events and circumstances. These forward-looking statements are, however, subject to risks, uncertainties and assumptions that could cause those acts, events and circumstances to differ materially from the expectations described in such forward-looking statements.

These factors include, among other things, commercial and other risks associated with the meeting of objectives and other investment considerations, prevailing commodity prices, as well as other matters not yet known to the Company or not currently considered material by the Company.

Significant changes in the state of affairs

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

Matters subsequent to the end of the financial half-year

Post the reporting period, the Board considered that the issuance of Performance Rights as a form of incentivisation was no longer an appropriate mechanism and resolved to cancel the Performance Rights Plan. Consequently, the unvested 5,000,000 Performance Rights held by the Managing Director were cancelled on the 27 January 2023.

The Company issued 157,114,434 listed options on 7 March 2023 under the pro rata non-renounceable entitlement offer as announced on 20 January 2023. In addition, 75,000,011 listed options were issued on 8 March 2023 comprising the Placement and Broker Options component included under the Prospectus Offer. The Options were issued with an exercise price of \$0.063 (6.3 cents) per share, expiring on 8 March 2025.

No further matter or circumstance has arisen since 31 December 2022 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Auditor's independence declaration

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

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

On behalf of the Directors



Richard Hillis
Chair

10 March 2023


Grant Thornton Audit Pty Ltd
Grant Thornton House
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Adelaide SA 5000
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Adelaide SA 5001
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Auditor's Independence Declaration

To the Directors of Investigator Resources Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the review of Investigator Resources Limited for the half-year ended 31 December 2022, 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 audit.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



I S Kemp
Partner – Audit & Assurance

Adelaide, 10 March 2023

www.grantthornton.com.au
ACN-130 913 594

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Investigator Resources Limited
Statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2022



		Consolidated	
	Note	31 December 2022	31 December 2021
		\$	\$
Revenue			
Interest and other income	3	46,489	42,071
Expenses			
Employee benefit expenses	4	(358,329)	(201,387)
Administrative expenses	5	(364,417)	(412,783)
Share based payment expense	13	(181,115)	(43,213)
Loss before income tax expense		(857,372)	(615,312)
Income tax expense		-	-
Loss after income tax expense for the half-year attributable to the owners of Investigator Resources Limited		(857,372)	(615,312)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Loss on the revaluation of financial assets at fair value through other comprehensive income, net of tax		49,500	-
Other comprehensive income for the half-year, net of tax		49,500	-
Total comprehensive loss for the half-year attributable to the owners of Investigator Resources Limited		(807,872)	(615,312)
		Cents	Cents
Basic loss per share	21	(0.06)	(0.05)
Diluted loss per share	21	(0.06)	(0.05)

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

Investigator Resources Limited
Statement of financial position
As at 31 December 2022



		Consolidated	
		31 December	
	Note	2022	30 June 2022
		\$	\$
Assets			
Current assets			
Cash and cash equivalents		7,057,482	6,221,599
Trade and other receivables	6	74,541	100,881
Inventories		42,233	27,387
Other assets		49,950	11,420
Total current assets		<u>7,224,206</u>	<u>6,361,287</u>
Non-current assets			
Financial assets at fair value through other comprehensive income	7	236,500	187,000
Property, plant and equipment		93,694	15,136
Right-of-use assets		108,107	139,847
Exploration and evaluation assets	8	25,056,695	23,117,112
Other assets		116,760	116,760
Total non-current assets		<u>25,611,756</u>	<u>23,575,855</u>
Total assets		<u>32,835,962</u>	<u>29,937,142</u>
Liabilities			
Current liabilities			
Trade and other payables	9	355,134	999,340
Lease liabilities		63,447	61,146
Provisions	10	403,914	372,296
Total current liabilities		<u>822,495</u>	<u>1,432,782</u>
Non-current liabilities			
Lease liabilities		47,808	80,786
Provisions	11	22,691	12,000
Total non-current liabilities		<u>70,499</u>	<u>92,786</u>
Total liabilities		<u>892,994</u>	<u>1,525,568</u>
Net assets		<u>31,942,968</u>	<u>28,411,574</u>
Equity			
Issued capital	12	74,984,041	70,736,800
Reserves	13	309,857	312,382
Accumulated losses		<u>(43,350,930)</u>	<u>(42,637,608)</u>
Total equity		<u>31,942,968</u>	<u>28,411,574</u>

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

Investigator Resources Limited
Statement of changes in equity
For the half-year ended 31 December 2022



Consolidated	Issued Capital \$	Share option Reserve \$	Financial asset Reserve \$	Accumulated Losses \$	Total equity \$
Balance at 1 July 2021	70,350,184	421,737	-	(38,512,991)	32,258,930
Loss after income tax expense for the half-year	-	-	-	(615,312)	(615,312)
Other comprehensive income for the half-year, net of tax	-	-	-	-	-
Total comprehensive loss for the half-year	-	-	-	(615,312)	(615,312)
Shares issued	192,000	-	-	-	192,000
Options issued to Key Management Personnel	-	43,213	-	-	43,213
Exercise of options	130,520	(130,520)	-	-	-
Balance at 31 December 2021	<u>70,672,704</u>	<u>334,430</u>	<u>-</u>	<u>(39,128,303)</u>	<u>31,878,831</u>

Consolidated	Issued Capital \$	Share option Reserve \$	Financial asset Reserve \$	Accumulated Losses \$	Total equity \$
Balance at 1 July 2022	70,736,800	356,882	(44,500)	(42,637,608)	28,411,574
Loss after income tax expense for the half-year	-	-	-	(857,372)	(857,372)
Other comprehensive income for the half-year, net of tax	-	-	49,500	-	49,500
Total comprehensive income for the half-year	-	-	49,500	(857,372)	(807,872)
<i>Transactions with owners in their capacity as owners:</i>					
Shares issued	4,369,750	-	-	-	4,369,750
Share issue cost	(211,599)	-	-	-	(211,599)
Share-based payments	-	181,115	-	-	181,115
Expiry of options	-	(144,050)	-	144,050	-
Exercise of options	89,090	(89,090)	-	-	-
Balance at 31 December 2022	<u>74,984,041</u>	<u>304,857</u>	<u>5,000</u>	<u>(43,350,930)</u>	<u>31,942,968</u>

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

Investigator Resources Limited
Statement of cash flows
For the half-year ended 31 December 2022



	Consolidated	
	31 December 2022	31 December 2021
Note	\$	\$
Cash flows from operating activities		
Interest received	49,742	20,119
Payments to suppliers and employees	(657,095)	(578,851)
Net cash used in operating activities	(607,353)	(558,732)
Cash flows from investing activities		
Payments for Exploration and evaluation expenditure	(2,628,915)	(1,820,279)
Payments for property, plant and equipment	(86,000)	-
Payment of JV contribution received in advance	-	(237,445)
Net cash used in investing activities	(2,714,915)	(2,057,724)
Cash flows from financing activities		
Proceeds from issue of shares	4,200,000	-
Share issue transaction costs	(211,599)	-
Proceeds from exercising options	169,750	192,000
Net cash from financing activities	4,158,151	192,000
Net increase/(decrease) in cash and cash equivalents	835,883	(2,424,456)
Cash and cash equivalents at the beginning of the financial half-year	6,221,599	11,586,925
Cash and cash equivalents at the end of the financial half-year	<u>7,057,482</u>	<u>9,162,469</u>

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

Note 1. General information

The financial statements cover Investigator Resources Limited as a consolidated entity consisting of Investigator Resources Limited and the entities it controlled at the end of, or during, the financial half-year ended 31 December 2022. The financial statements are presented in Australian dollars, which is Investigator Resources Limited's functional and presentation currency.

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

47 King Street
Norwood South Australia 5067

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

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 10 March 2023.

Note 2. Significant accounting policies

These general purpose financial statements for the financial half-year reporting period ended 31 December 2022 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2022 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

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

Going Concern

These financial statements have been prepared on a going concern basis which contemplates the continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business. This includes the realisation of capitalised exploration expenditure of \$25,056,695 (30 June 2022: \$23,117,112).

The consolidated group has incurred a net loss after tax for the half-year ended 31 December 2022 of \$857,372 (31 December 2021: \$615,312) and has a net cash outflow, from operating and investing activities of \$3,322,268 (31 December 2021: net cash outflow of \$2,616,456). At 31 December 2022, the consolidated group had net current assets of \$6,401,711 (30 June 2022: \$4,928,505).

The consolidated group's ability to continue as a going concern is contingent on raising additional capital and/or the successful exploration and subsequent exploitation of its areas of interest through sale or development.

Based on the above management do not believe there is a material uncertainty in relation to going concern.

New or amended Accounting Standards and Interpretations adopted

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

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the period ended 31 December 2022.

Note 3. Interest and other income

	Consolidated	
	31 December 2022	31 December 2021
	\$	\$
Interest income	31,896	19,292
Other income	14,593	22,779
	<u>46,489</u>	<u>42,071</u>

Note 4. Employee benefit expenses

	Consolidated	
	31 December 2022	31 December 2021
	\$	\$
Benefits provided to employees	799,882	561,828
Capitalised to exploration and evaluation projects	(441,553)	(360,441)
	<u>358,329</u>	<u>201,387</u>

Note 5. Administrative expenses

	Consolidated	
	31 December 2022	31 December 2021
	\$	\$
Audit fees	28,842	22,975
Accounting and company secretarial fees	66,350	68,500
Depreciation	5,356	5,356
Director's fees	62,500	52,500
Insurance and legal	21,235	75,081
Shareholder communications and company promotion	144,964	122,102
Office expenses	7,479	13,619
Other expenses	27,691	52,650
	<u>364,417</u>	<u>412,783</u>

Note 6. Current assets - trade and other receivables

	Consolidated	
	31 December 2022	30 June 2022
	\$	\$
GST receivable	72,333	95,420
Accrued income	2,208	5,461
	<u>74,541</u>	<u>100,881</u>

Note 7. Non-current assets - financial assets at fair value through other comprehensive income

	Consolidated	
	31 December	
	2022	30 June 2022
	\$	\$
Ordinary shares	236,500	187,000
<i>Reconciliation</i>		
Reconciliation of the fair values at the beginning and end of the current and previous financial half-year are set out below:		
Opening fair value	187,000	-
Additions	-	231,500
Revaluation increments	49,500	-
Revaluation decrements	-	(44,500)
Closing fair value	236,500	187,000

On 18 October 2021, Kimba Minerals Pty Ltd, a wholly owned subsidiary of the Company entered into a binding Terms Sheet with Osmond Resources Ltd to Earn-In to a Joint Venture agreement over the Fowler Domain tenements held by Kimba Minerals Pty Ltd. Upon signing the Term Sheet, the Company were issued 200,000 shares (at a deemed issue price of \$0.1 per share). On 13 April 2022, further 900,000 (at a deemed IPO price of \$0.2 per share) shares were issued to the Company upon listing of Osmond Resources Limited. These investment in shares is classified as level 1 in fair value measurement hierarchy as Osmond Resources Limited is listed on Australian Securities Exchange (ASX: OSM). As at 31 Dec 2022, the investment in shares is fair value based on the quoted market price of \$0.215 per share at \$236k. As the time of initial recognition, the company has made an irrevocable election for these investments to present subsequent changes in fair value in other comprehensive income.

Note 8. Non-current assets - exploration and evaluation assets

	Consolidated	
	31 December	
	2022	30 June 2022
	\$	\$
Exploration and evaluation - at cost	25,056,695	23,117,112
Movement in exploration and evaluation asset:		
	Consolidated	
	31 December	
	2022	30 June 2022
	\$	\$
Opening balance - at cost	23,117,112	21,214,246
Capitalised exploration expenditure	1,939,583	4,872,931
Impairment	-	(2,970,065)
Carrying amount at the end of the period	25,056,695	23,117,112

Note 9. Current liabilities - trade and other payables

	Consolidated	
	31 December	30 June 2022
	2022	2022
	\$	\$
Trade payables and accruals	320,736	951,282
GST payable	34,398	48,058
	<u>355,134</u>	<u>999,340</u>

Trade Payables and accruals include bonus amount of AUD 96,165 payable to KMP. The amount is accrued based on the board approval received on 19 January 2023.

Note 10. Current liabilities - provisions

	Consolidated	
	31 December	30 June 2022
	2022	2022
	\$	\$
Annual leave	232,193	208,669
Long service leave	171,721	163,627
	<u>403,914</u>	<u>372,296</u>

Note 11. Non-current liabilities - Provisions

	Consolidated	
	31 December	30 June 2022
	2022	2022
	\$	\$
Long service leave	22,691	12,000

Note 12. Equity - issued capital

	Consolidated			
	31 December	30 June 2022	31 December	30 June 2022
	2022	2022	2022	2022
	Shares	Shares	\$	\$
Ordinary shares - fully paid	<u>1,437,163,657</u>	<u>1,332,313,657</u>	<u>74,984,041</u>	<u>70,736,800</u>

Movements in ordinary share capital

Details	Date	Shares	\$
Balance	30 June 2022	1,332,313,657	70,736,800
Exercise of unlisted options	01 November 2022	2,000,000	84,000
Exercise of unlisted options	16 November 2022	850,000	35,700
Exercise of unlisted options	20 November 2022	2,000,000	139,140
Placement of Shares	22 December 2022	100,000,000	4,200,000
Share issue costs		-	(211,599)
Balance	31 December 2022	<u>1,437,163,657</u>	<u>74,984,041</u>

Note 12. Equity - issued capital (continued)

Ordinary shares

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

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

Note 13. Equity - reserves

	Consolidated	
	31 December	30 June 2022
	2022	2022
	\$	\$
Financial assets at fair value through other comprehensive income reserve	5,000	(44,500)
Share based payments reserve	304,857	356,882
	<u>309,857</u>	<u>312,382</u>

Share based payments expense during the period is \$181,115 (31 December 2021: \$43,213) which relates to performance rights and options issued to KMP of the Company.

Movements in each class of reserve during the current half financial year are set out below:

	\$
Balance at 1 July 2022	356,882
Transfer unlisted option expense to share capital upon exercise	(89,090)
Transfer to retained losses upon expiry of the options	(144,050)
Share based payment expense	<u>181,115</u>
Balance at 31 December 2022	<u><u>304,857</u></u>

Unlisted Options

On 30 November 2022, 14,000,000 unlisted fully vested options (exercisable at \$0.076, expiring 19 December 2025) were issued to the Directors of the company. The fair value of the options was determined as of \$382,200 using the Black Scholes option pricing model.

On 19 December 2022, 6,000,000 unlisted fully vested options (exercisable at \$0.076, expiring 19 December 2025) were issued to Jason Murray, being a KMP. The fair value of the options was determined as of \$145,200 using the Black Scholes option pricing model.

On 19 December 2022, 6,500,000 unlisted fully vested options (exercisable at \$0.076, expiring 19 December 2025) were issued to the employees. The fair value of the options was determined as of \$157,300 using the Black Scholes option pricing model.

Note 13. Equity - reserves (continued)

The above options were fair valued using the Black Scholes option pricing model using the following inputs:

	Options to Directors	Options to KMP	Options to employees
Numbers of options granted	14,000,000	6,000,000	6,500,000
Grant date	30/11/2022	19/12/2022	19/12/2022
Expiry date	19/12/2025	19/12/2025	19/12/2025
Weighted average share price at date of grant(\$)	0.049	0.045	0.045
Weighted average exercise price (\$)	0.076	0.076	0.076
Weighted average volatility %	101%	102%	102%
Weighted average risk free rate %	3.17%	3.19%	3.19%
Days to expiry	1,115	1,096	1,096
Fair value of option \$	382,200	145,200	157,300

Details of unlisted share options on issue to Key Management Personnel (KMP) and other employees and weighted average exercise prices were as follows:

	KMP	KMP	Employees/ Others	Employees/ Others
	No. of Options	Weighted average exercise price	No. of Options	Weighted average exercise price
Outstanding at 31 Dec 2021	20,000,000	0.035	4,000,000	0.035
Granted / Issued	2,000,000	0.097	-	-
Reclassification	(2,000,000)	0.035	2,000,000	0.035
Outstanding at 30 June 2022	20,000,000	0.035	6,000,000	0.035
Options expired	(15,150,000)	0.035	(4,000,000)	0.035
Options exercised	(2,850,000)	0.035	(2,000,000)	0.035
Granted / Issued	20,000,000	0.076	6,500,000	0.076
Outstanding at 31 December 2022	22,000,000	0.078	6,500,000	0.076

Note 14. Equity - dividends

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

Note 15. Interests in Farm-out Arrangements

(i) Osmond Resources Ltd

On 18 October 2021, Kimba Minerals Pty Ltd, a wholly-owned subsidiary of Investigator Resources Limited entered into a binding Terms Sheet with unlisted Osmond Resources Ltd for exploration on Fowler Domain tenements held by Kimba Minerals Pty Ltd. Under this agreement, Osmond will fund up to \$2.75 million in a two-stage Earn-In exploration program to explore Investigator's Fowler Domain tenement package over 6 years. Acknowledging the pre-listing status of Osmond, there were several considerations and conditions precedent, including the listing of Osmond on ASX by 29 March 2022. Osmond listed on ASX on the 22 March 2022.

Under the Stage 1 Program, Osmond may earn a 51% Joint Venture interest in the Fowler Domain tenements subject to its spending of \$750,000 on exploration expenditure over 3 years. Osmond can further elect to proceed with the Stage-2 Earn-In by spending up to an additional \$2 million of exploration expenditure over a further 3 years for a further 29% interest in the Fowler Domain tenements.

Post satisfactory completion of Stage 2, and with Osmond Fowler Domain having earned an 80% Joint Venture interest, Investigator's 20% interest will be free carried through to completion of a Pre-Feasibility Study. Once completed, Investigator may elect to either fund further exploration and development costs on a pro-rata basis, or dilute. If Investigator's Joint Venture dilutes to 5%, the interest will convert to a 1% net smelter return royalty.

At the date of this report Osmond Resources is yet to commence fieldwork on the Fowler Domain project and holds a 0% interest under the terms of the agreement.

(ii) DGO Gold Ltd

At the date of this report, the Company is under a Heads of Agreement with Yandan Gold Mines, a wholly-owned subsidiary of DGO Gold Ltd for exploration on tenements EL6643, EL6642, EL6641, EL6640 and EL6402 held by Gawler Resources Pty Ltd. DGO Gold Ltd was acquired by Gold Road Resources Ltd (ASX:GOR) in July 2022 and continues to exist as a wholly owned subsidiary of GRO.

On 18 September 2020, Gawler Resources Pty Ltd, a wholly owned subsidiary of Investigator Resources Limited entered into a Heads of Agreement with Yandan Gold Mines Pty Ltd (Yandan), a wholly owned subsidiary of DGO Gold Ltd for exploration on tenements EL6643, EL6642, EL6641, EL6640 and EL6402 (Tenements) held by Gawler Resources Pty Ltd. Under this agreement, Yandan have satisfactorily completed the expenditure of the minimum \$350,000 on exploration activities under Stage 1 Commitment.

Following the satisfactory completion of the Stage 1 Commitment, Yandan indicated its intention to progress to a 51% joint venture by funding a further \$2 million under the Stage 2 Commitment within 24 months of the completion of Stage 1 Commitment. As of 31 December 2022, Yandan has completed Stage 1 Commitment and as funded approximately \$1.8 million of the \$2 million funding under Stage 2 Commitment. The funding under stage 2 is still in progress.

Upon meeting the Stage 2 Commitment, Yandan will be entitled to a 51% interest in the Tenements upon which a Joint Venture agreement will be executed.

Upon commencement of Joint Venture, Yandan can elect to earn-in a further 29% interest in the Tenements through completing the Stage 3 Commitment, under which Yandan must spend a further \$4 million on exploration on or before the second anniversary of the Joint Venture Commencement Date. Upon meeting the Stage 3 Commitment, an additional 29% interest in the tenements will be transferred to Yandan for a total Joint Venture interest of 80%.

Note 16. Interests in Earn-In Arrangements

Molyhil Mining Pty Ltd

On 21 November 2022, Fram Resources Pty Ltd (Fram), a wholly-owned subsidiary of Investigator Resources Limited entered in a Heads of Agreement (HoA) with Molyhil Mining Pty Ltd (Molyhil), a wholly own subsidiary of Thor Mining PLC (ASX:THR) for exploration on the Molyhil and Bonya tenements (Tenements) by Fram. Upon the execution of HoA, Fram paid a \$100,000 execution fee to Molyhil under the terms of the agreement.

Under the Stage 1 Program, Fram may earn a 25% interest in the Molyhil tenements and 40% interest in Bonya tenement (EL29107) subject to its spending of \$1 million on agreed exploration activities within 18 months from the Stage 1 commencement date. This includes the above Execution fee paid.

Upon the transfer to the interest in the tenements above, Fram and Molyhil will proceed for a joint venture agreement with initial joint venture interest of 25% for Fram and 75% for Molyhil tenements. On formalisation of Fram's 25% Joint Venture interest, Investigator to issue Molyhil \$250,000 of IVR shares as the joint venture consideration.

Upon commencement of Joint Venture, under the Stage 2 program, Fram to spend a further \$2 million on the exploration activities on or before sixth anniversary of the Joint Venture commencement date to earn-in further 26% interest in the Molyhil tenements.

Under stage 3 Program, Fram will spend a further \$5 million on the exploration activities on or before sixth anniversary of the Joint Venture commencement date to earn-in further 29% interest in the Molyhil tenements. This will bring Fram's Joint Venture interest in Molyhil tenement to 80%.

On formalisation of Fram's 80% Joint Venture interest, Investigator will issue \$250,000 of IVR shares to Molyhil.

Note 17. Fair value measurement

Fair value hierarchy

The following tables detail the consolidated entity's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: Unobservable inputs for the asset or liability

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Consolidated - 31 December 2022				
<i>Assets</i>				
Ordinary shares	236,500	-	-	236,500
Total assets	236,500	-	-	236,500

There were no transfers between levels during the financial half-year.

Accounting Policy for fair value measurement

Note 17. Fair value measurement (continued)

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

Note 18. Expenditure Commitments and Contingent Liabilities

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

	Consolidated	
	31 December	
	2022	30 June 2022
	\$	\$
<i>Exploration Expenditure Commitments:</i>		
Committed at the reporting date but not recognised as liabilities, payable:		
Not later than one year	261,458	229,614
Later than one year but not later than two years	2,099,050	1,340,603
	<u>2,360,508</u>	<u>1,570,217</u>

Note 19. Segment Information

The Company has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources. The Company is managed primarily on a geographic basis, that is, the location of the respective areas of interest (tenements) in Australia. Operating segments are determined on the basis of financial information reported to the Board which is at the Company level.

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

Note 20. Events after the reporting period

Post the reporting period, the Board considered that the issuance of Performance Rights as a form of incentivisation was no longer an appropriate mechanism and resolved to cancel the Performance Rights Plan. Consequently, the unvested 5,000,000 Performance Rights held by the Managing Director were cancelled on the 27 January 2023.

The Company issued 157,114,434 listed options on 7 March 2023 under the pro rata non-renounceable entitlement offer as announced on 20 January 2023. In addition, 75,000,011 listed options were issued on 8 March 2023 comprising the Placement and Broker Options component included under the Prospectus Offer. The Options were issued with an exercise price of \$0.063 (6.3 cents) per share, expiring on 8 March 2025.

No further matter or circumstance has arisen since 31 December 2022 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Note 21. Earnings per share

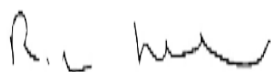
	Consolidated	
	31 December 2022	31 December 2021
	\$	\$
Loss after income tax attributable to the owners of Investigator Resources Limited	<u>(857,372)</u>	<u>(615,312)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>1,339,080,505</u>	<u>1,323,946,607</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>1,339,080,505</u>	<u>1,323,946,607</u>
	Cents	Cents
Basic loss per share	(0.06)	(0.05)
Diluted loss per share	(0.06)	(0.05)

In the Directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2022 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of Directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the Directors



Richard Hillis
Chair

10 March 2023

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Independent Auditor's Review Report

To the Members of Investigator Resources Limited

Report on the half year financial report

Conclusion

We have reviewed the accompanying half year financial report of Investigator Resources Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2022, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half year ended on that date, a description of accounting policies, other selected explanatory notes, and the directors' declaration.

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

- a giving a true and fair view of the Group's financial position as at 31 December 2022 and of its performance for the half year ended on that date; and
- b complying with Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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Directors' responsibility for the half-year financial report

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

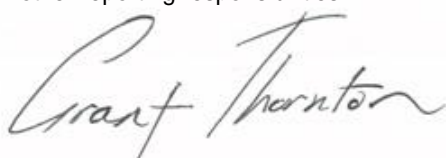
Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2022 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*.

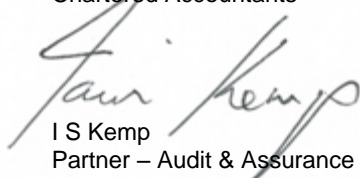
A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards 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.

Report on other legal and regulatory requirements

Form and content of this section of the auditor's review report will vary depending on the nature of the auditor's other reporting responsibilities.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



I S Kemp
Partner – Audit & Assurance

Adelaide, 10 March 2023