

Investigator Resources (IVR)

Opportunistic Option Taken On Prospective Tenement

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Key Points

- IVR has entered into a Joint Venture (JV) agreement with Adelaide Resources (ADN) to earn a 75% interest in the tenement adjacent to the Paris silver deposit (20Moz silver – 100% IVR).
- Following the recent capital raising IVR has ~\$5m available for exploration. The primary focus for IVR will be proving that Paris has the potential to support an economic development and selected Greenfields exploration.
- We see the transaction as IVR to being opportunistic in obtaining a low cost option over the prospective ground. Positively the JV is non dilutive for IVR shareholders and does not require a cash payment.

New Project adds to Project Pipeline for IVR

Selective Deal: Using their knowledge from Paris the IVR team has assessed the exploration potential of the ground over their fence and have done a deal to gain access. This is an example of IVR using their experience from the discovery of Paris to selectively expand their footprint in the region.

Low cost entry: The terms of the deal see all money to be spent on exploration and do not include a cash payment, which is important in the current market where raising exploration capital is a difficult proposition. The JV essentially delivers IVR an option over the ground until 2017 whilst they continue with their main focus of Paris and selected targets. The planned work program includes soil sampling and mapping, with possible drilling in mid 2015.

No Prior Exploration for Paris Style Silver: Previous explorers (including ADN) have gathered a significant amount of exploration data over the tenement. However most of this was done before IVR cracked the complex geological setting of the province. Also previous exploration was undertaken for different mineralisation styles (Broken Hill style mineralisation, uranium and also for gold), therefore the focus was not on the "Paris" style geological setting.

Capital Raising Completed: Following the recent rights issue and associated shortfall placement IVR has ~\$5m available for exploration.

Paris and Surrounds Remain Key Focus: The extended timeframe of the earnin agreement reassures us that IVR is not straying from their stated objectives of showing that the Paris Deposit can increase in size, testing of the satellite targets and first pass drilling at Uno/Morgans.

Mineral Potential High: IVR see that the potential for epithermal and IOCGU style mineralisation is high. The experience held by IVR is providing them a competitive advantage in assessing the potential for the region. The assessment of the mineral potential is based on the interpretation of mineralised geological structures that extend from IVR's Peterlumbo Project in to the Thurgla tenement. In addition the identification of outcropping epithermal siliceous rocks and altered volcanic breccias are similar to what IVR has reported from their side of the tenement boundary.

Recommendation

Speculative Buy

Previous Recommendation	Speculative Buy
Risk Rating	Very High
Current Share Price	\$0.03
12 Month Price Target	\$0.13
Price Target Methodology	Discounted NAV
DCF Valuation	\$0.24
Market capitalisation	\$16m

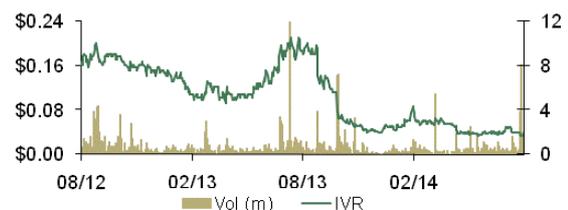
Catalysts

- The ongoing drilling program has commenced at the area immediately surrounding the Paris Deposit. We would expect first assay results to start to be released from mid September.
- The drill rig is likely to be moved to Uno/Morgans later this month before moving back to the Paris area to drill the Paris satellite targets and the Ajax Prospect.
- It is likely that the news flow of results will continue throughout the rest of 2014 as assay results are received from the drilling.

Investment Summary

- IVR are a junior exploration company and are highly leveraged to exploration success. We continue to see IVR has a well credentialed junior resources company with proven success in making discoveries.
- The possibility of proving that the Paris Deposit can grow beyond the current 20Moz, to a size that could support a mining operation is key for IVR going forward.
- We are not expecting the current round of drilling to deliver a resource upgrade, more show that the Paris mineralisation extends outside of the current ore body and can potentially reach critical mass.

IVR share price performance



Source: IRESS

Link to Previous Research: [IVR 27 Mar 2014](#), [IVR 05 Feb 2014](#), [IVR 20 Jan 2014](#) – initiation report

Joint Venture Details

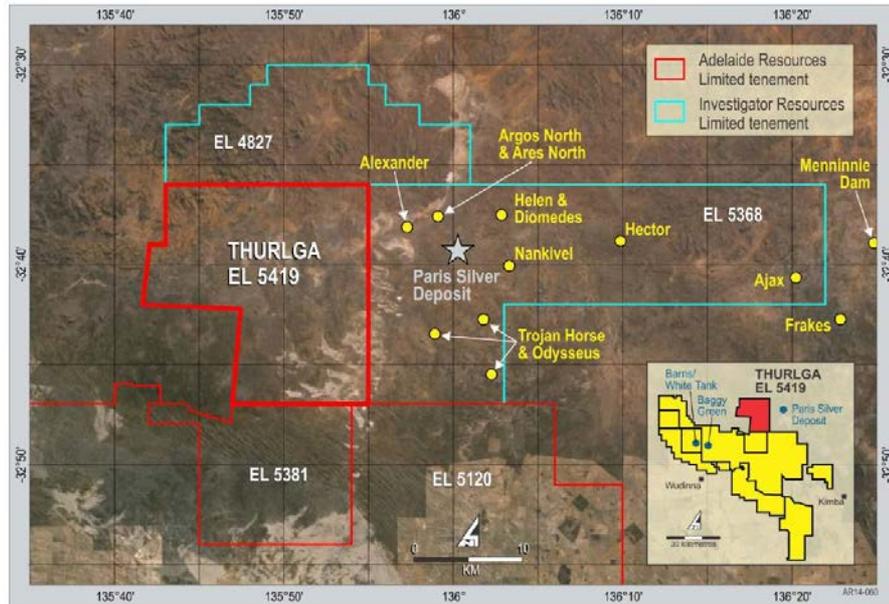
12 months to spend initial earnin amount, then almost 2 years before next hurdle is reached.

The main terms of the JV agreement are:

- IVR must spend \$200,000 prior to 16 August 2015 before it can withdraw.
- IVR can earn 75% interest in the JV by spending \$750,000 by 30 June 2017.
- Upon earning 75% interest ADN has the right to contribute (pro rata) or dilute.
- IVR will manage the Joint Venture during the earn-in stage, and while ever it holds majority equity.

Project Location relative to Paris

Location of the tenement (Thurlga – EL5419) that IVR has JVD'd into. The tenement is immediately adjacent to IVR's 100% Peterlumbo/Paris tenement.

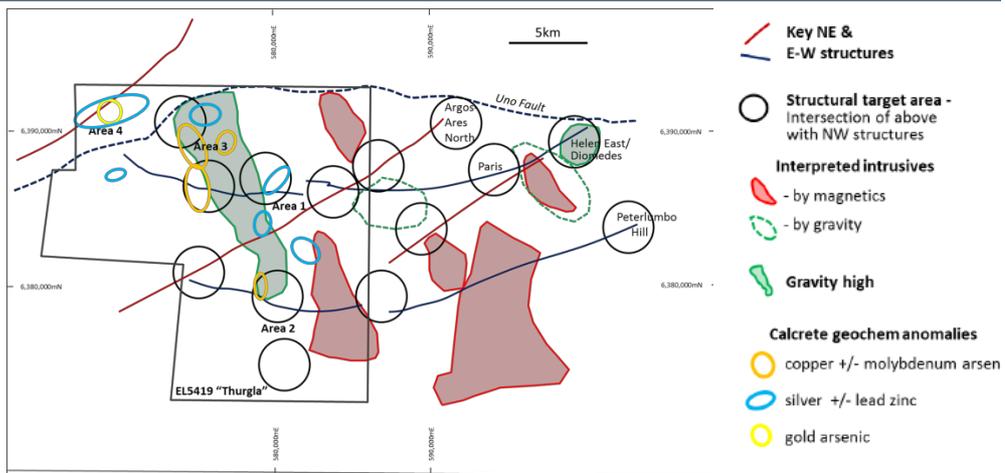


Source: ADN Company Release

The Thurlga tenement area shows the same geophysical patterns with potential for structural and intrusive centres as seen in the adjoining Paris/Peterlumbo tenement.

Thurlga tenement and prospective targets.

Based on interpretation of existing data IVR have defined a number of areas for follow up exploration.



Source: IVR Company Release

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Recommendation Criteria

Investment View

PAC Partners Investment View is based on an absolute 1-year total return equal to capital appreciation plus yield.

Buy	Hold	Sell
>20%	20% – 5%	<5%

A Speculative recommendation is when a company has limited experience from which to derive a fundamental investment view.

Risk Rating

PAC Partners has a four tier Risk Rating System consisting of: Very High, High, Medium and Low. The Risk Rating is a subjective rating based on: Management Track Record, Forecasting Risk, Industry Risk and Financial Risk including cash flow analysis.

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