

**INVESTIGATOR
RESOURCES
LIMITED**



Investigator Resources Limited

ABN 90 115 338 979

Half Year Financial Report - 31 December 2019

Investigator Resources Limited

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31 December 2019

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Investigator Resources Limited
Corporate directory
31 December 2019

Directors	Kevin Wilson – Non-Executive Chairman (appointed Chairman on 20 November 2019) David Ransom – Non-Executive Director (resigned as Chairman on 20 November 2019) Andrew McIlwain – Managing Director (appointed Managing Director 1 October 2019)
Joint Company Secretaries	Ms Melanie Leydin Ms Anita Addorisio
Principal place of business	18 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 IVROA)
Website	www.investres.com.au

Investigator Resources Limited
Directors' report
31 December 2019

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 2019.

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:

Kevin Wilson – Non-Executive Chairman (appointed Chairman on 20 November 2019)
David Ransom – Non-Executive Director (resigned as chairman on 20 November 2019)
Andrew McIlwain – Managing Director (appointed Managing Director 1 October 2019)

Review of operations

The loss for the consolidated entity after providing for income tax amounted to \$708,678 (31 December 2018: \$2,393,741).

The net result for the period includes receipt of a joint operation management fee of \$9,605 and an impairment charge, associated non-recoverable exploration and evaluation assets of \$106,698.

During the period, the Company incurred \$495,973 expenditure on exploration activities across the Company's tenements, compared with \$907,442 for the prior corresponding period.

At 31 December 2019, the Company had a cash position of \$4,152,189.

The main activities during the half year included:

Maslins IOCG Copper- Gold Target

The Company's 100% owned iron oxide copper gold ("IOCG") target lies within EL5705 and is located in the Olympic Domain on the Stuart Shelf in South Australia's Gawler Craton.

In early 2018, the Company joined with Geoscience Australia ("GA") and the Geological Survey of South Australia ("GSSA") to undertake an infill Magneto-Telluric ("MT") geophysical survey across the Maslins target area. The encouraging data from this survey, coupled with 2D and 3D modelling of acquired gravity and magnetic data, culminated in July 2019 with the ASX announcement of the execution of an Heads of Agreement with OZ Minerals Ltd in which OZ Minerals could spend up to \$10 million over 6 years to earn 70% of the Maslins Project.

Maslins is a previously undrilled gravity and magnetic anomaly that has been interpreted as having a shallower depth to basement (estimated to be up to 600 m) than BHP's rediscovered Oak Dam prospect, some 80 km to the north-west. The anomaly is complex, 6 km in length and comprises a curved gravity and partly magnetic trend with a prominent gravity high at its northern end.

Under the OZ Minerals earn-in agreement, additional gravity and MT data was collected during the half year, with final modelling refining drill target designs. OZ Minerals is currently developing their Carrapateena copper mine approximately 60 km to the north of the Maslins project.

Subsequent to year end, as announced to the ASX on 23 January 2020, drilling of the Maslins' targets commenced.

During the period a new tenement immediately south of the Maslins tenement was granted. Kootaberra (EL6402) comprises approximately 170 km² along trend from Maslins.

Review of operations (continued)

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. As was reported to the ASX on 19 April 2017, the Paris Silver Project contains a JORC (2012) Mineral Resource estimate of 42 million ounces of silver and 55 thousand tonnes of lead.

During the period the Company engaged an industry leading consulting structural geologist to undertake a review of the geological setting of Paris. This review, complemented by the in-house development of a complete structural model, has identified the opportunity to further improve the Paris project's resource through targeted definition drilling and geostatistical review.

The Company's focus is to continue to review the Paris project and maintain the tenement in good standing. Work was undertaken on final rehabilitation of historical drill sites - and all assets are secured on site until such time as the silver price and the Paris Silver Project's economics improve.

Cartarpo Cobalt-Copper Project

The Company's 100% owned Cartarpo tenement is located 175km north of Adelaide, was granted to the Company in early August 2017 and is valid until August 2022.

The results of the over 300 soil samples collected were reported in the March 2019 Quarterly Report. Anomalous copper and gold warrant follow up sampling..

Curnamona Project

The Company's Curnamona Project comprises the 100% owned tenements of Wiawera, Plumbago, Treloars and Olary (ELs 5938, 6192, 6345 and 6253 respectively). A small reconnaissance soil sampling program was completed over the Wiawera and Treloars tenements with assay results identifying some anomalous gold and copper.

Investigator continues to seek to engage with the Wilyakali people – the Traditional Owners of the Wiawera tenement area – with the objective of achieving a mutually beneficial working relationship to ensure that all parties' interests are protected and to enable substantive exploration activities to be undertaken.

Impairment charge

As per AASB 6 – Exploration and Evaluation of Mineral Resources, Management have undertaken an impairment review and assessed the carrying value of the Company's exploration and evaluation assets. Management have used significant judgment in determining whether it is likely that future economic benefits will be derived from the exploration and evaluation assets.

A review of the consolidated entity's exploration licenses was undertaken as at 31 December 2019. Due to the decision to relinquish license of Goog's Lake (EL5512) during the prior period and Management's assessment that exploration cost on Algebuckina tenement (EL6187) may not be recoverable, the related exploration and evaluation assets has been written off as a part of the impairment charge of \$106,698.

Corporate

On 14 October 2019 the Company announced the appointment of Andrew McIlwain as Managing Director. Andrew joined the Company as a Non-executive Director on 20 June 2018 and took on the role of Acting CEO in August 2018.

Dr David Ransom stepped down as Chairman following the Company's Annual General Meeting on 20 November 2019 and Kevin Wilson assumed the role of Chairman.

The Board has previously announced that the Company continues to review value accretive opportunities in the domestic gold space from early stage exploration through to production. As previously reported, the uplift in gold price has created a heightened optimism amongst vendors of projects. Numerous opportunities have been identified and reviewed during the period. The Company continues to focus on finding a suitable project and remains confident that the process underway will add value for the Company's shareholders in a timely manner.

Investigator Resources Limited
Directors' report
31 December 2019

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.

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



Kevin Wilson
Chairman

27 February 2020

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 2019, 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



J L Humphrey
Partner – Audit & Assurance

Adelaide, 27 February 2020

Investigator Resources Limited
Statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2019

		Consolidated	
	Note	31 December 2019	31 December 2018
		\$	\$
Revenue			
Management fee- joint operation		9,605	-
Interest and other income	3	20,029	63,349
Expenses			
Employee benefit expenses	4	(135,905)	(353,727)
Administrative expenses	5	(395,154)	(397,170)
Exploration and evaluation expenditure impaired		(106,698)	(1,706,193)
Share based payment expense		(100,555)	-
Loss before income tax expense		(708,678)	(2,393,741)
Income tax expense		-	-
Loss after income tax expense for the half-year attributable to the owners of Investigator Resources Limited		(708,678)	(2,393,741)
Other comprehensive income for the half-year, net of tax		-	-
Total comprehensive loss for the half-year attributable to the owners of Investigator Resources Limited		(708,678)	(2,393,741)
		Cents	Cents
Basic earnings per share	20	(0.09)	(0.32)
Diluted earnings per share	20	(0.09)	(0.32)

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 2019

		Consolidated	
	Note	31 December	30 June 2019
		2019	2019
		\$	\$
Assets			
Current assets			
Cash and cash equivalents		4,152,189	1,204,981
Trade and other receivables	6	7,919	18,451
Other assets	7	17,587	37,007
Total current assets		<u>4,177,695</u>	<u>1,260,439</u>
Non-current assets			
Property, plant and equipment	8	1,586	2,722
Right-of-use assets		97,314	-
Exploration and evaluation assets	9	29,909,036	29,700,636
Other assets	10	24,202	24,202
Total non-current assets		<u>30,032,138</u>	<u>29,727,560</u>
Total assets		<u>34,209,833</u>	<u>30,987,999</u>
Liabilities			
Current liabilities			
Trade and other payables	11	208,575	117,669
Lease liabilities		69,061	-
Provisions	12	181,024	176,537
Joint operation contribution received in advance	16	1,298,106	-
Total current liabilities		<u>1,756,766</u>	<u>294,206</u>
Non-current liabilities			
Lease liabilities		30,284	-
Total non-current liabilities		<u>30,284</u>	<u>-</u>
Total liabilities		<u>1,787,050</u>	<u>294,206</u>
Net assets		<u>32,422,783</u>	<u>30,693,793</u>
Equity			
Issued capital	13	55,348,060	53,070,322
Reserves	14	403,449	243,519
Accumulated losses		<u>(23,328,726)</u>	<u>(22,620,048)</u>
Total equity		<u>32,422,783</u>	<u>30,693,793</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 2019

Consolidated	Issued Capital \$	Share based payments Reserve \$	Accumulated Losses \$	Total equity \$
Balance at 1 July 2018	53,070,322	243,519	(19,751,729)	33,562,112
Loss after income tax expense for the half-year	-	-	(2,393,741)	(2,393,741)
Total comprehensive loss for the half-year	-	-	(2,393,741)	(2,393,741)
Balance at 31 December 2018	<u>53,070,322</u>	<u>243,519</u>	<u>(22,145,470)</u>	<u>31,168,371</u>

Consolidated	Issued Capital \$	Share based payments Reserve \$	Accumulated Losses \$	Total equity \$
Balance at 1 July 2019	53,070,322	243,519	(22,620,048)	30,693,793
Loss after income tax expense for the half-year	-	-	(708,678)	(708,678)
Total comprehensive loss for the half-year	-	-	(708,678)	(708,678)
Shares issued	2,536,174	-	-	2,536,174
Share issue cost	(258,436)	-	-	(258,436)
Options issued to Fundraising Manager	-	59,375	-	59,375
Options issued to Key Management Personnel	-	86,993	-	86,993
Performance rights issued	-	13,562	-	13,562
Balance at 31 December 2019	<u>55,348,060</u>	<u>403,449</u>	<u>(23,328,726)</u>	<u>32,422,783</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 2019

	Consolidated	
	31 December	31 December
Note	2019	2018
	\$	\$
Cash flows from operating activities		
Interest received	15,149	27,854
Research and development grant received	-	657,958
Management fee	9,605	-
Payments to suppliers and employees	<u>(402,829)</u>	<u>(1,112,929)</u>
Net cash used in operating activities	<u>(378,075)</u>	<u>(427,117)</u>
Cash flows from investing activities		
Payments for Exploration and evaluation expenditure	(491,298)	(484,403)
Joint operation contribution received	<u>1,478,981</u>	<u>-</u>
Net cash from/(used in) investing activities	<u>987,683</u>	<u>(484,403)</u>
Cash flows from financing activities		
Issue of shares	13 2,536,662	-
Cost of raising capital	<u>(199,062)</u>	<u>-</u>
Net cash from financing activities	<u>2,337,600</u>	<u>-</u>
Net increase/(decrease) in cash and cash equivalents	2,947,208	(911,520)
Cash and cash equivalents at the beginning of the financial half-year	<u>1,204,981</u>	<u>2,889,752</u>
Cash and cash equivalents at the end of the financial half-year	<u><u>4,152,189</u></u>	<u><u>1,978,232</u></u>

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

Investigator Resources Limited
Notes to the financial statements
31 December 2019

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 half-year. 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:

18 King Street
Norwood SA 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 27 February 2020.

Note 2. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2019 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for 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 2019 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, unless otherwise stated.

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.

The following Accounting Standards and Interpretations are most relevant to the consolidated entity:

AASB 16 Leases

The consolidated entity has adopted AASB 16 from 1 July 2019. The standard replaces AASB 117 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in administration expenses) and an interest expense on the recognised lease liabilities (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results improve as the operating expense is now replaced by interest expense and depreciation in profit or loss. For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities. For lessor accounting, the standard does not substantially change how a lessor accounts for leases.

Note 2. Significant accounting policies (continued)

Impact on application

The consolidated entity has adopted AASB 16 using the modified retrospective approach whereby the consolidated entity has recognised the cumulative effect of initially applying this standard as an adjustment to the opening balance of equity as at 1 July 2019. Accordingly, the consolidated entity has not restated comparative balances in this set of financial statements.

On adoption of AASB 16, the consolidated entity recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of AASB 117 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 July 2019. The weighted average incremental borrowing rate applied to the lease liabilities on 1 July 2019 was 5.5%. The associated right-of-use assets for these leases were measured on a retrospective basis as if AASB 16 had always been applied, with the incremental borrowing rate applied as at each lease's commencement date and the assets depreciated on a straight-line basis over the term of the lease. The provisions recognised in respect of onerous lease contracts were netted off against the associated right-of-use assets at the date of transition.

	Transitional impact at 1 July 2019 \$'000
Right-of-use assets	132
Lease liabilities	(132)

Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

Lease Liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

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 2019.

Investigator Resources Limited
Notes to the financial statements
31 December 2019

Note 3. Interest and other income

	Consolidated	
	31 December 2019	31 December 2018
	\$	\$
Net gain on disposal of property, plant and equipment	-	15,000
Research and development incentive	-	23,572
Interest income	20,029	24,777
	<u>20,029</u>	<u>24,777</u>
Interest and other income	<u><u>20,029</u></u>	<u><u>63,349</u></u>

Note 4. Employee benefit expenses

	Consolidated	
	31 December 2019	31 December 2018
	\$	\$
Benefits provided to employees	340,201	646,105
Capitalised to exploration and evaluation projects	(204,296)	(292,378)
	<u>135,905</u>	<u>353,727</u>

Note 5. Administrative expenses

	Consolidated	
	31 December 2019	31 December 2018
	\$	\$
Audit fees	16,748	23,078
Company secretarial fees	24,000	64,000
Depreciation - Right-to-use asset	6,870	-
Depreciation - property, plant and equipment	1,136	1,493
Directors fees	76,653	77,500
Insurance and legal	29,046	30,207
Consulting fee expense	82,500	71,520
Shareholder communications and company promotion	75,559	50,647
Office expenses	51,927	44,086
Other expenses	38,407	55,039
Administration expenses capitalised to exploration	(7,692)	(20,400)
	<u>395,154</u>	<u>397,170</u>

Investigator Resources Limited
Notes to the financial statements
31 December 2019

Note 6. Current assets - trade and other receivables

	Consolidated	
	31 December	
	2019	30 June 2019
	\$	\$
Accrued income	7,919	3,038
GST receivable	-	15,413
	<u>7,919</u>	<u>18,451</u>

Note 7. Current assets - Other assets

	Consolidated	
	31 December	
	2019	30 June 2019
	\$	\$
Prepayments	<u>17,587</u>	<u>37,007</u>

Note 8. Non-current assets - property, plant and equipment

	Consolidated	
	31 December	
	2019	30 June 2019
	\$	\$
Plant and equipment - at cost	512,225	512,225
Less: Accumulated depreciation	<u>(510,639)</u>	<u>(509,503)</u>
	<u>1,586</u>	<u>2,722</u>

Note 9. Non-current assets - exploration and evaluation assets

	Consolidated	
	31 December	
	2019	30 June 2019
	\$	\$
Opening balance - carrying amount	29,700,636	30,590,976
Capitalised exploration expenditure	315,098	907,442
Impairment	<u>(106,698)</u>	<u>(1,797,782)</u>
Carrying amount at the end of the period	<u>29,909,036</u>	<u>29,700,636</u>

A review of the consolidated entity's exploration licenses was undertaken as at 31 December 2019. Due to the decision to relinquish the license of Goog's Lake (EL 5512) during the prior period and Management's assessment of exploration cost on Algebuckina tenement (EL 6187) may not be recoverable, the related exploration and evaluation assets has been written off as a part of impairment charge of \$106,698 above.

Investigator Resources Limited
Notes to the financial statements
31 December 2019

Note 10. Non-current assets - other assets

	Consolidated	
	31 December	30 June 2019
	2019	2019
	\$	\$
Security deposits	24,202	24,202
	<u>24,202</u>	<u>24,202</u>

Note 11. Current liabilities - trade and other payables

	Consolidated	
	31 December	30 June 2019
	2019	2019
	\$	\$
Trade payables	51,362	96,028
GST payable	124,004	-
Other payables	33,209	21,641
	<u>208,575</u>	<u>117,669</u>

Note 12. Current liabilities - provisions

	Consolidated	
	31 December	30 June 2019
	2019	2019
	\$	\$
Annual leave	100,667	98,490
Long service leave	80,357	78,047
	<u>181,024</u>	<u>176,537</u>

Note 13. Equity - issued capital

	Consolidated			
	31 December	30 June 2019	31 December	30 June 2019
	2019	2019	2019	2019
	Shares	Shares	\$	\$
Ordinary shares - fully paid	845,643,723	739,972,032	55,348,060	53,070,322
	<u>845,643,723</u>	<u>739,972,032</u>	<u>55,348,060</u>	<u>53,070,322</u>

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$
Balance	1 July 2019	739,972,032		53,070,322
Placement of shares	5 September 2019	91,666,666	\$0.02	2,199,999
Share Purchase Plan (SPP) shares issued	14 October 2019	14,000,025	\$0.02	336,000
Exercise of listed options	20 November 2019	5,000	\$0.03	175
Share issue costs		-	\$0.00	(258,436)
Balance	31 December 2019	<u>845,643,723</u>		<u>55,348,060</u>

Investigator Resources Limited
Notes to the financial statements
31 December 2019

Note 13. 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 14. Equity - reserves

	Consolidated	
	31 December	30 June 2019
	2019	2019
	\$	\$
Share based payments reserve	<u>403,449</u>	<u>243,519</u>

Share based payments expense during the period is \$159,930 of which \$100,555 (2018:nil) relates to performance rights and options issued to KMP and other employees of the company.

Performance rights

In November 2019, following shareholder approval at the Annual General Meeting, the consolidated entity issued 15,000,000 performance rights to Mr Andrew McIlwain with various vesting conditions relating to share price hurdles, service period and performance hurdles, as below:

Grant date	Expiry date	Exercise price	Granted	Exercised	Expired/ forfeited/ other	Balance as at 31 December 2019
20/11/2019	21/01/2021	-	5,000,000	-	-	5,000,000
20/11/2019	21/01/2022	-	5,000,000	-	-	5,000,000
20/11/2019	21/01/2023	-	5,000,000	-	-	5,000,000

The fair value of the performance rights was determined at \$228,331 using the Black Scholes option pricing model using the following inputs:

Weighted average share price at date of grant (\$)	0.017
Weighted average exercise price (\$)	Nil
Weighted average volatility %	100
Weighted average risk-free rate %	0.75
Fair value of options \$	228,331

Listed Options

In September 2019, the Company issued the following listed options under the terms of the Placement announced on 2 September 2019 and subsequently ratified at the 20 November 2019 Annual General Meeting:

- 30,555,600 attaching listed options, with an exercise price of \$0.035 (3.5 cents) per option expiring 31 December 2020.
- 6,597,222 listed options, with an exercise price of \$0.035 (3.5 cents) per option expiring 31 December 2020 issued as consideration for Lead Broker services under the Placement. The fair value of listed options was determined at \$59,375.

Note 14. Equity – reserves (continued)

Unlisted Options

In November 2019, 22,000,000 unlisted fully vested options (exercisable at \$0.035, expiring on 20 November 2022) were issued to KMP and other employees of the company.

The fair value of the options was determined as of \$164,000 using the Black Scholes option pricing model using the following inputs:

Weighted average share price at date of grant (\$)	0.017
Weighted average exercise price (\$)	0.035
Weighted average volatility %	100
Weighted average risk-free rate %	0.71
Days to expiry	1,096
Fair value of options \$	164,000

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

	KMP No. of Options	KMP Weighted average exercise price \$	Employees No. of Options	Employees Weighted average exercise price \$
Outstanding at 31 December 2018	5,755,000	0.030	5,260,000	0.038
Granted / Issued	2,500,000	0.048	-	-
Lapsed	(2,340,000)	0.020	(5,260,000)	0.038
Exercised	-	-	-	-
Outstanding at 30 June 2019	5,915,000	0.041	-	-
Granted / Issued	12,000,000	0.008	10,000,000	0.007
Lapsed	-	-	-	-
Exercised	-	-	-	-
Outstanding at 31 December 2019¹	17,915,000	0.041	10,000,000	-

¹Includes 3,415,000 unlisted options held by J. A. Anderson who is no longer a KMP.

Note 15. Equity - dividends

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

Note 16. Interests in Joint Operations and Farm-in Arrangements

On 14 July 2019, Gawler Resources Pty Ltd, a wholly owned subsidiary of Investigator Resources Limited entered into a farm-in and joint operation agreement with OZ Exploration Pty Ltd, a wholly owned subsidiary of OZ Minerals Limited for exploration on the Maslins project located on EL 5705. Under this agreement, OZ Minerals can elect to fund up to \$10 million on a three-stage exploration program to explore and farm-in to the Maslins Project and may earn up to a 70% interest. As at 31 December 2019, OZ Minerals had contributed \$1.48 million (excluding GST) of which \$181k had been deployed as exploration expenditure and \$9k earned as project management fees. As at 31 December 2019, the Company had a balance of \$1.29 million joint operation contribution received in advance as cash.

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

Investigator Resources Limited
Notes to the financial statements
31 December 2019

Note 17. 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.

Note 18. 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 19. Events after the reporting period

No matter or circumstance has arisen since 31 December 2019 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 20. Earnings per share

	Consolidated	
	31 December 2019	31 December 2018
	\$	\$
Loss after income tax attributable to the owners of Investigator Resources Limited	<u>(708,678)</u>	<u>(2,393,741)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>804,770,285</u>	<u>739,972,032</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>804,770,285</u>	<u>739,972,032</u>
	Cents	Cents
Basic earnings per share	(0.09)	(0.32)
Diluted earnings per share	(0.09)	(0.32)

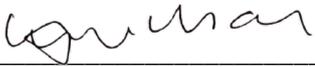
Investigator Resources Limited
Directors' declaration
31 December 2019

In the Directors' opinion:

1. the condensed financial statements and notes are 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 2019 and of its performance for the financial half-year ended on that date; and
 - (b) complying with Australian Accounting Standard AASB 134 Interim Financial Reporting and Corporations Regulations 2001.

2. 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:



Kevin Wilson
Chairman

27 February 2020

Independent Auditor's Review Report

To the Members of Investigator Resources Limited

Report on the review of 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 2019, 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, nothing has come to our attention that causes us to believe that the half year financial report of Investigator Resources Limited does not give a true and fair view of the financial position of Investigator Resources Limited as at 31 December 2019, and of its financial performance and its cash flows for the half year ended on that date, in accordance with the *Corporations Act 2001*, including complying with Accounting Standard AASB 134 *Interim Financial Reporting*.

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 Investigator Resources Limited's financial position as at 31 December 2019 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.

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 have complied with the independence requirements of the *Corporations Act 2001*.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



J.L. Humphrey
Partner – Audit & Assurance

Adelaide, 27 February 2020