

new thinking
real discoveries

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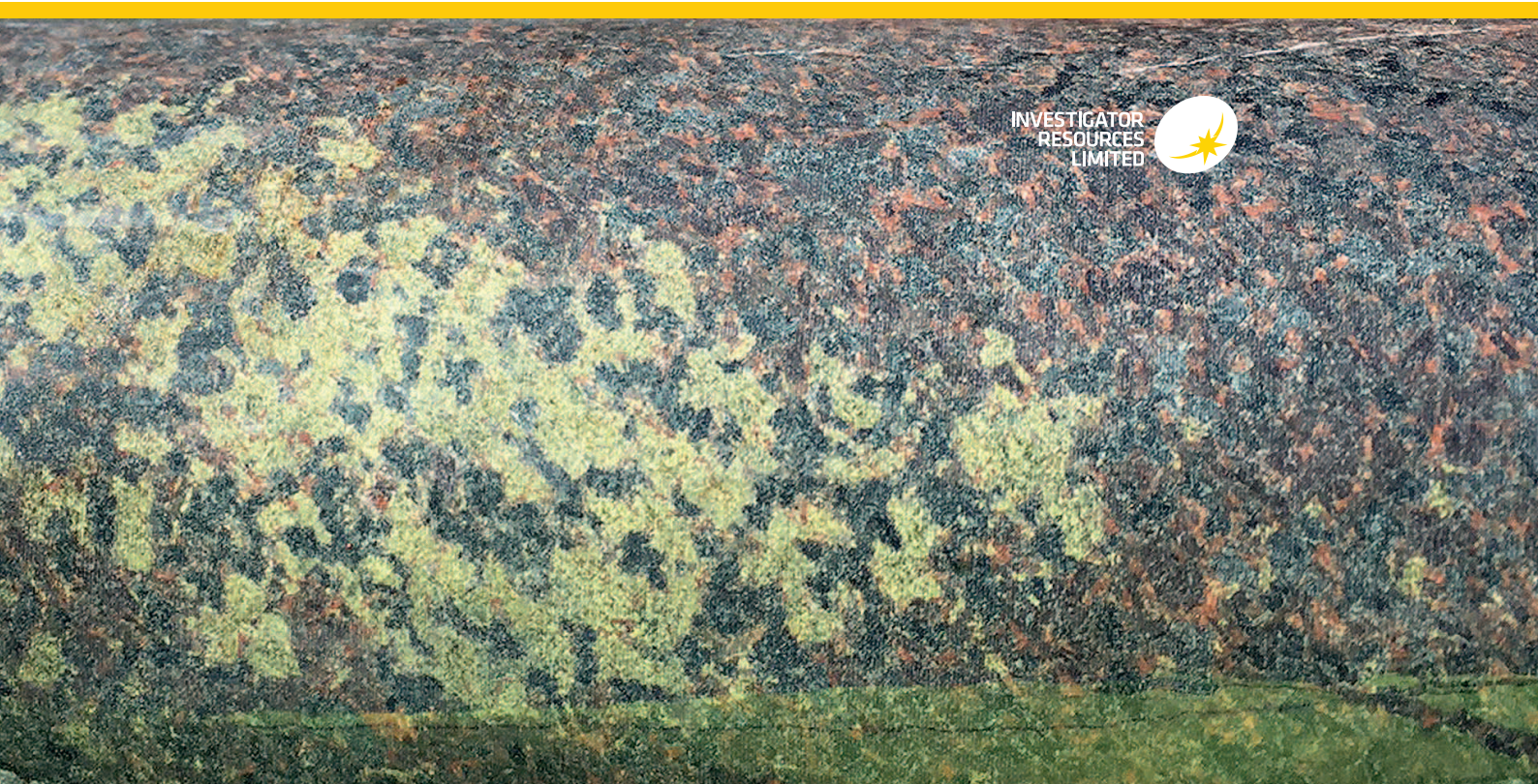
ANNUAL REPORT 2016

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Key priorities

- Advance the Paris Silver Project to an Indicated Mineral Resource and complete a Pre-Feasibility study by mid-2017.
- Accelerate copper-gold exploration at Nankivel at the centre of the Paris silver field following the breakthrough discovery of a large porphyry system with copper-gold potential in September 2016.
- Seek additional larger silver resources within the Paris field and broader Uno Province, based on knowledge gained from the Paris and Nankivel discoveries.
- To drill the Maslins IOCG copper-gold target, a first-mover opportunity in a newly identified geophysical extension to the Olympic Dam and Carrapateena belt.

Cover photo taken by Brianna Clark (below) working for Investigator under the Geoscientist Assistance Program funded by the South Australian State Government and managed by the South Australian Chamber of Mines and Energy to retain and develop skills in the State during the Resource Industry downturn.



new thinking
real discoveries

Company profile

Investigator Resources Limited combines original geological concepts, the latest research and its deep exploration experience to make high-value greenfields discoveries for shareholders.

The Company is focused on the southern Gawler Craton of South Australia. The region offers revitalized discovery opportunities in a data rich and supportive jurisdiction. This has been demonstrated by Investigator's discoveries of two entirely new deposit styles (epithermal silver and porphyry copper-gold) in only the past five years. This makes Investigator the leading player in one of the country's most exciting emerging metals provinces.

The Company is listed on the Australian Securities Exchange (ASX Code: IVR) and has more than 3,550 shareholders. Investigator's cornerstone investor, CITIC Australia Pty Ltd has been a significant shareholder since the Company's inception nine-years ago.

Investigator first listed in April 2007 as Southern Uranium Limited, then in 2010 changed its name to Investigator Resources Limited to reflect the Company's new exploration focus in South Australia and diversification towards precious and base metals.

The Board and Senior Management include accomplished professionals with strong track records in the areas of exploration, mining, finance and law. In early 2016, the Company moved its corporate office and merged it with the operational office in Adelaide, South Australia, close to the projects. The Company has a total staff of 10, including four geologists, supplemented by consultants and contractors.

In November 2015, the Company announced a revised upward Inferred Mineral Resource estimation for its wholly owned Paris Silver Project, discovered in 2011, to 8.8Mt at 116g/t

silver, containing 33Moz silver (at a 50g/t silver cut-off).

In September 2016, the Company's first drill hole at Nankivel in the centre of the Paris silver field intersected 600m of copper bearing porphyry. Nankivel is the first large copper porphyry system to be discovered in South Australia and is among the oldest in the world.

Investigator's key projects are:

- Paris Silver Project - 33Moz Inferred Mineral Resource.

- Exploration in the newly discovered Nankivel copper-gold porphyry system.
- Exploration in the wider Uno Province with potential for other epithermal silver fields and nickel potential in intrusives and possible Archaean basement e.g. Diomedes near Paris.
- Maslins IOCG copper-gold target, 50km south of Carrapateena on the Stuart Shelf.



Figure 1: Plan showing Investigator Resources Tenement holding and key Projects

Chairman's letter

We are now starting our 10th year as an ASX-listed Company. Last year, exploration activity in the Mining Industry – both in Australia and world-wide - was low, as it had been the year before. Our drilling was curtailed as we conserved funds, but we kept most of our Technical Team together, carrying out ground fieldwork and also reviewing and upgrading the enormous database which we now have on the southern Gawler Craton. This has proven to be extremely useful as the recent drilling, using new concepts, has shown.

By prudently using our funds and achieving a successful share placement with the assistance of PAC Partners, we now have in excess of A\$5million of cash.

The review and recalculation of the Paris Resource resulted in a major increase in Inferred Resources to 33million ounces of Silver, at a grade of 116 grams per tonne. We consider this to be worthwhile upgrading to Indicated Status with the objective of proceeding towards an operating mine.

The innovative approach to re-interpreting the geology in our tenements has led to the discovery of large, mineralised porphyry at Nankivel, in the Peterlumbo area. It is early days, but the finding of such a body with

the first drill hole gives us confidence that the thinking was right. We are looking forward to further drilling and geophysical results.

On the Corporate front, we moved our Brisbane Office to Adelaide to better focus on our priority interests in South Australia.

I acknowledge the funding assistance from the South Australian Government in progressing the new concepts and research which we have undertaken.

Thank you to our dedicated staff, who were positive and diligent through what were difficult times. My fellow Directors have been supportive, as always, and I thank them.

Our successes at Paris and Nankivel and our funding position spur us on to explore vigorously in the Gawler Craton in the coming year.



Board of Directors:

(from left to right)

David Jones,

John Anderson,

Roger Marshall OBE,

Bruce Foy.

2016 highlights and goals

Corporate

- Consolidation of the Corporate office with the Adelaide Operations office to reduce costs and to facilitate focus on the Paris Silver Project and associated quality precious and base metal opportunities in South Australia.
- A\$100,000 government grant awarded for drill co-funding by the South Australian State Government for the 2015 PACE scheme.
- Received tax concessions totalling A\$1.92million for the 2013/14 and 2014/15 years under the Federal Government's Research and Development Tax Incentive program.

Strategy

- Capitalised on the Paris resource base and discovery opportunities to advantageously position Investigator for the next impending upturn.
- Maintained Investigator's geological exploration team and leading position in resetting the geological framework and revitalising the greenfields discovery potential of the southern Gawler Craton by on-going interrogation of extensive Company and government datasets, building the target portfolio and limited drilling to advance priority targets despite the downturn.

Paris Silver Project

- Revised the Paris Silver Project Inferred Mineral Resource estimate to 8.8Mt @ 116g/t silver for 33Moz silver (50g/t silver cut-off), a 60% increase on the maiden Inferred Mineral Resource.
- Internal studies progressed in a staged manner, aimed at enhancing the project economics and making the project robust in the current economic climate:
 - Evaluations developed options and scenarios, including discussions with metallurgical and processing consultants for possibilities of utilising either a flotation/leach extraction method to produce silver doré bars or a silver-lead concentrate utilising a flotation processing methodology.
 - Options are being assessed for modular mobile processing plants to enable flexibility in scaling-up to optimal production rates. The metallurgical processing could either be built and operated by the Company (higher initial capital costs, lower operating costs) or to lease a suitable metallurgical processing plant (lower upfront capital costs) and operated by a third party specialist metallurgical process operator (likely higher operating costs).



**Infill reverse circulation drilling
at Paris, September 2016.**



2016 highlights and goals

Peterlumbo Project

- Focus was building on the Paris resource with research and exploration of the Paris-Nankivel epithermal-porphyry field towards further silver, gold and copper-gold discoveries.
- Continuing mapping, soil geochemistry and magnetic surveys.
- Scout reverse circulation percussion (RCP) drilling of the already accessible parts of the Nankivel intrusive complex identified a range of intrusive types indicative of a prospective environment for copper-gold porphyry deposits.
- Through further heritage surveying, drill access was gained to most of the remaining complex where the highest potential was recognised.
- The breakthrough discovery of a large porphyry system with copper-gold potential was subsequently made near Nankivel Hill with drill hole PPDH147. This was the first hole to be drilled by Investigator at the main Nankivel porphyry prospect and is subject to a A\$200,000 co-funding drilling grant by the South Australian Government under their Plan for Accelerating Exploration ("PACE").
- Planning of immediate follow-up drilling with three RCP holes, along with an Induced Polarisation survey to refine additional new drill targets at Nankivel.
- Review of past drilling identified nickel sulphide potential in widespread basement ultramafics at Diomedes near to Paris.



Drilling first Nankivel diamond hole, August 2016.

Thurlga Joint Venture Project (immediately west of the wholly-owned Peterlumbo/Paris tenement)

- Infill soil sampling continued during the year with an additional 900 soil samples collected.
- Reinterpretation of historical geophysical data indicated that although most conductive features appear to be associated with the Thurlga palaeochannel, a number of variably conductive and resistive bodies were delineated within or near to the Uno Fault.
- Data interpretation focussed on four geochemical prospects; Wide, Starburst, Swinger and Yorker.
- Successful PACE application resulted in an A\$90,000 government grant towards drilling a number of geochemical silver anomalies.



2016 highlights and goals

Maslins Project

- Revitalised copper-gold potential secured with tenements in the Carrapateena district, followed breakthrough government research and geophysical surveying highlighted the revised southern extension of the Olympic Dam IOCG belt.
- Maslins gravity anomaly modelled as suitable IOCG-style target.
- Reinterpretation of past drilling using new geological and IOCG vectors support Maslins target.
- Maslins IOCG target has potential to fill South Australia's copper deposits gap between the giant Olympic Dam deposit and the smaller deposits of Prominent Hill and Carrapateena.

Uno/Morgans Project (100km east of Paris)

- Nickel and cobalt prospective ironstones identified.
- Associated within newly recognised prospective geology of likely Archaean age.
- Assessment continued of anomalies/prospects, as potentially another significant development for the Uno Province that may quickly add value.

Goals for 2017

- The primary goal is to advance the Paris silver resource to an Indicated Mineral Resource with infill drilling commencing in September 2016.
- Undertake the necessary metallurgical and hydrological work and other studies to complete a Pre-Feasibility Study for the Paris Silver Project by the end of the Financial Year.
- Drill test new silver targets within the Peterlumbo tenement and adjacent Thurlga Joint Venture tenement including the newly identified Ares silver prospect north-west of the Paris Silver Project.
- Characterise and explore the large Nankivel copper-gold porphyry system with three RCP holes and an Induced Polarisation surveying and further drill testing.
- Undertake initial drilling of the Maslins IOCG-style target in the Olympic Dam belt following heritage surveys to enable drill access.



Senior Project Geologist Jason Murray supervising drilling activities.



Managing Director's report

John Anderson



Investigator's long-term commitment to high quality exploration focussed in the southern Gawler Craton yielded great rewards in the past year.

The resource base of our high-grade Paris Silver Project increased by 60% to an estimated 33Moz of contained silver. Paris will be subject to up to 7,000m of infill drilling by the end of this calendar year aimed at upgrading the deposit from an Inferred to Indicated Mineral Resource category. This will pave the way for the completion of a Pre-Feasibility study by the end of June 2017.

Our research-based minerals system approach to exploration culminated after year-end, when we announced on 1 September the discovery of a large porphyry copper system at Nankivel, just 5km southeast of the Paris deposit. This followed three years of systematic scout drilling to characterise the Paris-Nankivel minerals system particularly for indirect vectors to mineralisation. Another 3,515m of scout drilling was undertaken with the support of State Government PACE co-funding early in the year in the accessible western part of the large 2.5km by 4km intrusive geological complex. This pointed to the south-eastern sector where surface outcrops also indicated underlying porphyry copper-gold potential. Heritage surveys cleared drill access to the area in January. Further PACE co-funding was applied for and granted over the next six-months with the first and successful hole completed in August after year-end.

The Nankivel discovery is the second new deposit style uncovered by Investigator in our core area of the northern Eyre Peninsula in the past five years.

Ever since the discovery of epithermal silver at Paris in late 2011, I have talked about it being part of a much larger metals system with the potential for large copper and gold discoveries.

One of the classic deposit models for epithermal silver features copper-gold mineralisation at deeper levels in a porphyry deposit style, with skarns (altered carbonates) on the margin.

Exploration programs since 2012 have focused on expanding the Paris silver deposit, but we remained on the lookout for copper-gold and allocated part of our spending to exploration for such targets.

Our ideas about the potential for copper-gold received a major boost in 2014, when drilling discovered a copper-gold-silver skarn at the Helen prospect, just 2km northeast of Paris and on the northern rim of the intrusive complex.

The Nankivel prospect was one of several targets subsequently identified in our next step to locate a porphyry copper core, but could not be drilled

until access surveys were completed just a few months ago.

As announced on 1 September, the first hole at Nankivel (PPDH147) intersected mineralised porphyry along the entire downhole depth of 600m, including visible but sporadic, low-level copper sulphides from the hole depth of 200m.

At the time of going to print, we are still awaiting assay results that are not expected to be in economic range, but we already know that PPDH147 is a very exciting development. Nankivel is at the centre of the Paris silver field and represents a major advance in our understanding of the overall mineral system on the 100%-owned Peterlumbo tenement. It improves our targeting for both copper-gold and additional, high-grade silver deposits.

We are following up PPDH147 immediately by scheduling three RCP holes near the Nankivel diamond drill hole in October, as well as a 3km by 2km Induced Polarisation survey over the newly recognised Nankivel porphyry target area.



Alunite-dickite altered rhyolite breccia indicative of underlying porphyry copper potential.

Managing Director's report

Nankivel is the first large porphyry mineral system to be discovered in South Australia and among the oldest of its kind in the world. The discovery is therefore a validation of Investigator's trail-blazing approach to exploration, which often flies in the face of conventional wisdom.

Our core strategy is to use the latest research to develop original and sometimes bold geological concepts, and follow them through with thorough work on the ground. This persistent approach offers the potential to create far greater value for shareholders than exploration in brownfields areas.

It has not been easy to maintain this commitment through the sharp and prolonged downturn of the past few years, but we maintained a strong exploration and research spend of A\$2.11million in FY16, compared to A\$4.19million in the previous year. Of that exploration expenditure, 64% went to the Paris Silver Project and surrounding Peterlumbo tenement during FY16 compared with 54% in FY15.

Our administrative costs fell from A\$1.6million in FY15 to A\$1.2million in FY16, due to cost-reduction actions such as the closure of the Brisbane corporate office. Our thanks and appreciation go to those we leave in Brisbane. We had a rotation of Company Secretary/Chief Financial Officer after Garry Gill moved to a permanent role elsewhere. Peter Harding-Smith stepped in until Angelo Gaudio took up the roles in the new Adelaide corporate office.

We made a very conscious decision to maintain our experienced exploration and commercial team. As a result, although our drill metreage fell from 19,400m in FY15 to 3,515m in FY16, we used our expertise to add value to our extensive datasets, initiate the interpretation phase of our mineral system research program and advance the Paris Silver Project.

Using our extensive research platform of drill data, we internally studied lithological, mineralogical and geochemical characteristics and vectors as well as expanding our research capacity under one-on-one collaborations with the State Geological Survey and University of Adelaide who have the expertise and access to laboratory facilities beyond Investigator's capacity. The Geological Survey undertook an initial spectral study of Paris drill samples to characterise the clay mineralogy of the Paris deposit as a new style for South Australia. A PhD student and an Honours student are now working with our staff on the Paris ore mineralogy. Another PhD student commenced further spectral characterisation of Paris and the surrounding surface geology in collaboration with Investigator and the Geological Survey. Investigator also provided logistical support of the Paris camp at cost to the Geological Survey's and Deep Exploration Technologies-CRC's adjacent Mineral Systems Drilling Program.

We further leveraged the research reach of our knowledge and drill platform during the year by joining two multi-organisation collaborations. Firstly, Investigator will be a key contributor to the successful ARC Linkage project, "Source to Spectrum", stimulated in part by the Paris silver discovery, led by

researchers in the University of South Australia and aimed at researching the spectrum of emerging mineral deposits associated with the Olympic Dam "mega-event". Secondly, as a junior resource company, we proudly contributed our experience to the AMIRA "Uncover" Project along with major resource companies in developing a pathway to re-invigorate Australia's rate of minerals discoveries.

As a result, our understanding of the Paris-Nankivel mineral system greatly improved during the year. The period of re-iteration of our data also identified potential in the basement rock for nickel of possibly highly prospective Archaean age as in the nickel fields of Western Australia.

Both breakthroughs are likely to be major resets for South Australian geology and create new discovery opportunities for Investigator and for the State.

This ensured Investigator is well positioned for the next upturn, which is now being seen with the improvement of precious metal prices from late 2015. Over the first six-months of 2016, the silver price increased by 35% and Investigator's share price increased four-fold.

Our commitment to exploration allowed us to maintain our momentum on the path to exciting new discoveries such as Nankivel.



**State and federal government
Chief Geologists visiting Paris.**

Managing Director's report

We appreciate the support of the South Australian Government, which provided A\$290,000 in co-funding for the Nankivel and Thurlga JV drilling through its PACE program. As a company, we also benefit significantly from our collaborative relationship with the Geological Survey of South Australia, which provides a direct link into many of the latest research developments.

The State Government has recently placed a high priority on unlocking the minerals secrets of our home region of the southern Gawler Craton, as evidenced by its innovative Mineral Systems Drilling Program. Investigator Resources has been a trailblazer in the southern Gawler Craton for many years, which puts the Company in the box seat of what is now regarded by Investigator as one of the most exciting new metals provinces in the country.

The Peterlumbo tenement, which is the broader area containing the Paris silver deposit and the Nankivel prospect, also has exciting potential for nickel in basement rocks, as outlined at our Diomedes prospect.

I would also like to highlight our new Maslins IOCG-style prospect on 100%-owned tenements about 50km south of OZ Mineral's Carrapateena copper deposit. We moved quickly to secure this ground after the release of remarkable new government-funded research, showing a regional-scale magneto-telluric geophysical corridor winding its way under Olympic Dam, Carrapateena and down through the centre of the Eyre Peninsula towards our Paris/Nankivel projects.

This suggests the existence of a major pathway for mineralisation to have reached the deposit forming level from deeper within the earth during the Olympic Dam IOCG mega-event 1,590million years ago. This breakthrough for targeting large deposits in South Australia, combined with our own new concepts, helped identify Maslins as another important opportunity for major copper-gold

discoveries by Investigator. Drilling at Maslins is expected in the March 2017 quarter after the completion of a heritage survey.

We are well placed to continue advancing our Paris project and our exciting exploration program thanks to a A\$5.4million placement in July to new and existing shareholders. We are heartened by this strong support and look forward to delivering more great news for shareholders over the rest of the new financial year.

Our primary objectives for the current six months are:

- Completion of the Paris infill drilling aimed at upgrading the resource estimation to Indicated status.
- Add to the Paris resource by drilling satellite silver targets in the same field and access preparation to the silver targets in the adjacent Thurlga Joint Venture tenement.
- Advancing the testing of the large Nankivel porphyry system with further copper-gold targeting and drilling.
- Heritage surveying to gain drill access to the Maslins IOCG-style target.

This range of exciting opportunities within our one focus region augers well

Diamond drill rods at Nankivel August drilling.



for Investigator's future growth. Success in any one or more of these endeavours will further position the Company into the developing upturn.

One aspect we will attend to in the second half of FY16 is starting our transition to a developer and silver producer. This will be done in parallel with pursuing our discovery potential for even larger deposits in copper-gold and silver that may elevate Investigator to the next echelon of resource companies.



Senior Geologist Jason Murray briefing the Board members and Commercial Manager Alex Thin on the Paris core.

Review of operations

Project overview

Investigator continues to hold a strong and exciting portfolio of exploration tenements in South Australia (see Figure 2) and is focused on discovering new multi-commodity resources including; silver, lead, zinc, copper and gold. Investigator established and has progressively improved the ground position since 2003 using new geological and targeting concepts. These led to the Paris silver discovery in late 2011.

Investigator's Exploration Licences are granted over an area of 5,806km² (as at 1 September 2016), either 100% IVR held (5,473km²) or in Joint Ventures (333km²), as well as 337km² in application to be held 100% by IVR.

As a result of the Paris discovery success, Investigator has remained focussed on the southern part of the Gawler Craton, a geological area in South Australia covering about 440,000km² and containing the giant Olympic Dam copper-gold-uranium, IOCG deposit in the Craton's central region. All the Company's projects are located close to major highways and large port facilities and heavy industry cities including the lead-silver smelter at Port Pirie (see Figure 1).

The Company continues to utilise collaborative research to identify potential large epithermal, skarn, porphyry copper and "Imiter-style" epithermal silver deposits associated with the Paris geology. Investigator reacted quickly to the results of external research developments that potentially opened up national discovery opportunities by leveraging in its regional models; applying and being granted the new Maslins group of tenements near Carrapateena, between

Paris and the large Olympic Dam mine.

The key Investigator Projects are:

- The Paris Silver Project, in the Peterlumbo tenement with opportunities to advance to an Indicated Mineral Resource.
- Paris-Nankivel area, copper-gold and silver-lead mineral systems.
- Diomedes nickel targets in basement geology near Paris.
- Ares prospect, 2km north-west of Paris.
- Thurlga JV - silver, gold and copper targets.
- Maslins Project - IOCG-style copper-gold project.

In November 2015, the Company announced a revised upward estimation of the maiden Inferred Mineral Resource for its 2011 Paris silver discovery to 8.8Mt at 116g/t silver, containing 33Moz silver (at a 50g/t silver cut-off).

In September 2016, a large porphyry system with copper-gold potential was confirmed by the first and only drill hole thus far at Nankivel, at the centre of the Paris silver field.

In August 2016, two drill co-funding applications were approved by the South Australian government; Paris-Nankivel/Diomedes Prospects and Thurlga JV Prospects, under the 'PACE Discovery Drilling 2016' program.

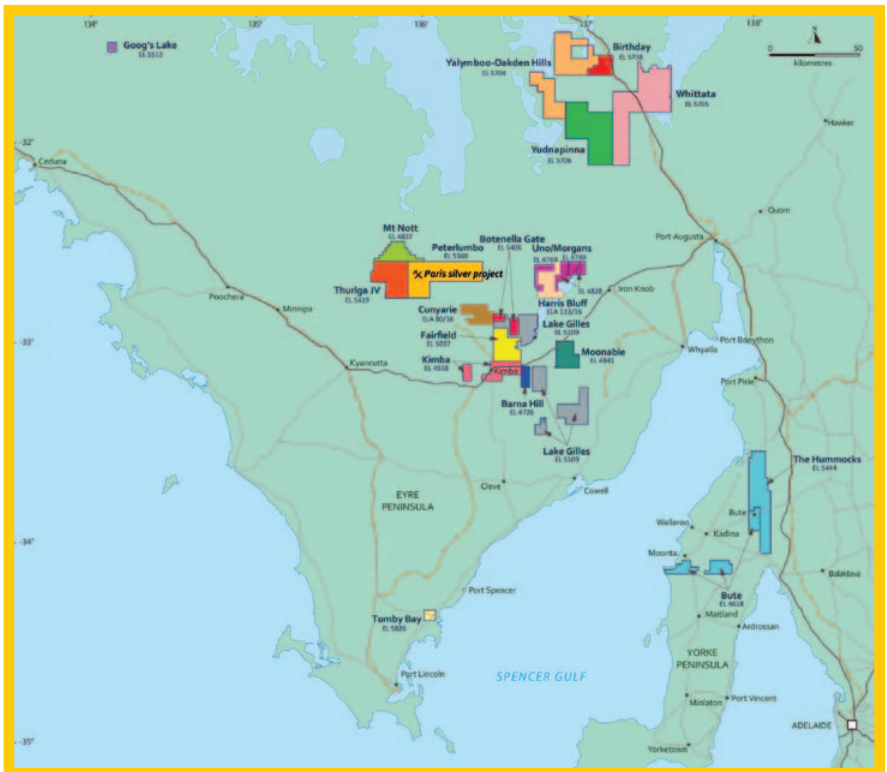


Figure 2: Plan showing Investigator Resources Tenement holding.

Review of operations

Paris Silver Project

Investigator’s long-term commitment to high quality exploration focussed in the southern Gawler Craton yielded great rewards in the past year.

On 9 November 2015, the Company released the revised Mineral Resource for the Paris Silver Project (Figure 1). The Paris Silver Inferred Mineral Resource estimate was upgraded to 8.8Mt @ 116g/t silver containing 33Moz silver (at a 50g/t silver cut-off) (Table 1).

The November 2015 Mineral Resource estimate is a 60% increase in the contained silver on the October 2013 maiden Inferred Mineral Resource of 5.9Mt @ 110g/t silver and 0.6% lead, containing 20Moz silver and 38,000t lead (at a 30g/t silver cut-off). The upgrade was made possible by adding some of the northern extensions drilled after the maiden resource in 2013, but primarily through the increased confidence in the geological model. This enabled the fresh geostatistical approach to better model the mineralisation for the high-grade zones and the margins, while not imposing any preconception about open-pit designs.

The revised Inferred Mineral Resource was independently prepared by H & S Consulting Pty Ltd (“H&SC”), in Brisbane using the Multiple Indicator Kriging (“MIK”) method which is suitable for the complex mineralisation style of the Paris silver deposit. It has been estimated and reported in accordance with the guidelines of the 2012 edition of the Australasian Code for the Reporting of Exploration Results, Minerals Resources and Ore Reserves.

The mineralisation is largely hosted within a flat elongate clay-altered breccia body that extends over nearly 1.5km in length (Figures 3 and 4). The mineralisation is generally situated between 50m to 120m depth, but with

some parts reaching within 5m of the surface, and down to depths of 160m. Investigator considers the dominant soft host rock and shallow depth of the Paris deposit offers attributes for an open-pit operation; H&SC have modelled and classified the resource in accordance with this assumption.

Following the release of the upgraded Paris Silver Inferred Resource, the Company started looking at potential development scenarios to progress the Paris Silver Project into an operating mine. The deposit has positive attributes of grade (116g/t silver), open-pit mining, metallurgy and location, plus surrounding potential for additional silver deposits. In consultation with resource consultants, mining options include the opportunity for higher-grade starter pits.

Table 1: Paris Mineral Resource estimate based on 50g/t silver cut-off grade

Category	Tonnage	Silver Grade	Contained silver
Inferred	8.8Mt	116g/t	33Moz

Notes:

- Any apparent small differences between values are due to rounding off.
- The Company confirms that it is not aware of any new information or data that materially affects the Paris Silver Project Mineral Resource, since its release in November 2015.
- The Mineral Resource is classified as Inferred due to the current lack of grade continuity associated with both the relatively wide drillhole spacing and the localised high-grade samples typical with this style of breccia deposit.



Paris Silver Project camp site.

Review of operations

Discussions have been on-going with metallurgical and processing consultants to scope the processing pathway options and further metallurgical testwork following up on the prior favourable October 2013 metallurgical testwork. This includes the possibility of producing a silver-lead concentrate utilising flotation processing methodology, as opposed to a leach extraction method to produce silver doré bars. Producing a Paris silver-lead concentrate may open up synergies with the upgraded Port Pirie smelter. In addition, work is assessing the options for modular mobile processing plants to enable flexibility in scaling-up to optimal production rates. The metallurgical processing plant could either be built and operated by the Company or leased and operated by a specialist metallurgical process operator; with lower start-up capital costs albeit at potentially higher operating costs.

A likely water source was earlier identified in a large palaeochannel aquifer near the Paris Silver Project. This was delineated through collaborative airborne electromagnetic surveying by CSIRO and prior Company drilling. Hydrological studies of the palaeochannels will be an important aspect of progressing the Paris Silver Project. Additional hydrological work is planned to commence in the March 2017 Quarter to further evaluate the local water supply.

The Company's first objective for the second-half of 2016 is to advance the Paris Silver Project to an Indicated Mineral Resource, with a modest drill program in a select area which commenced in September 2016. This may quickly advance the confidence in the grade continuity for the wider deposit. In parallel, the Company will continue looking at various development options and scenarios.

Figure 3: Summary geological section through the centre of the Paris silver deposit.

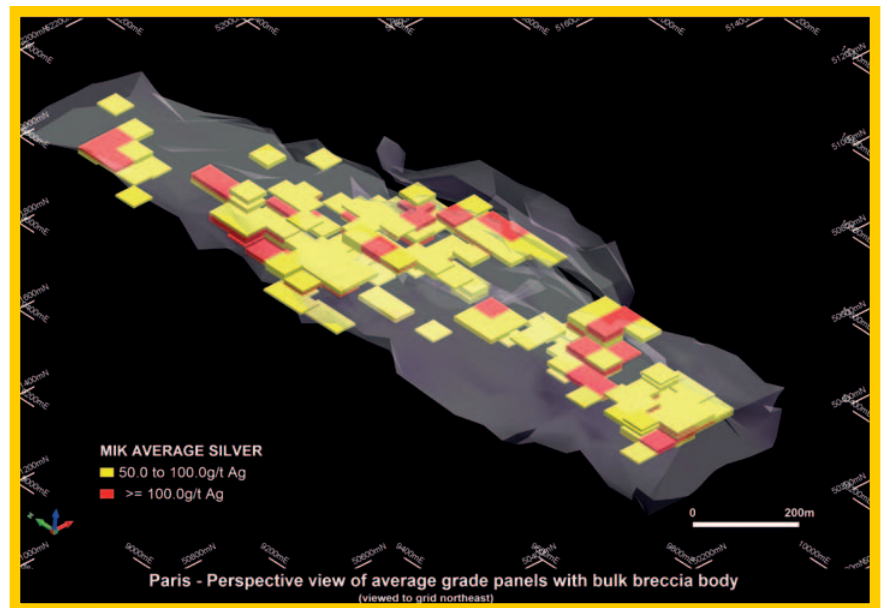
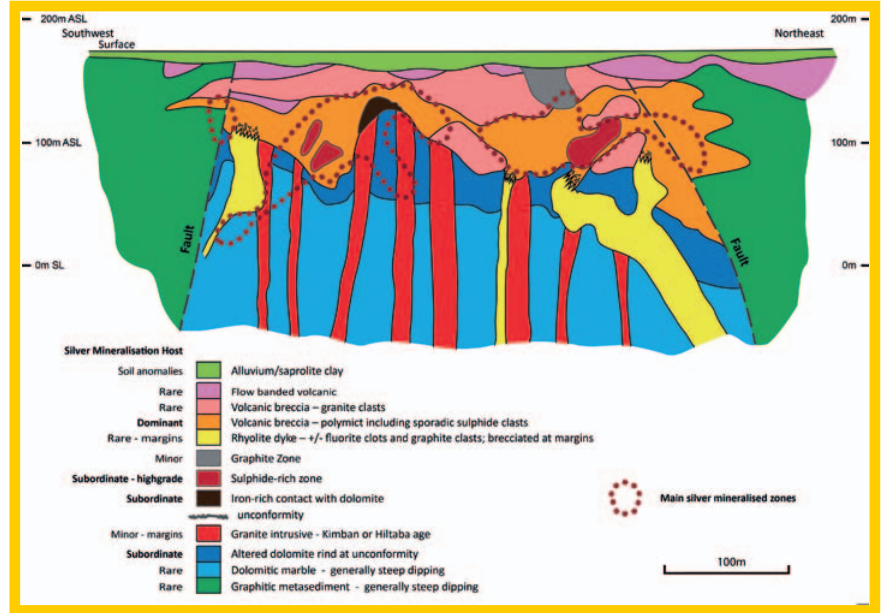
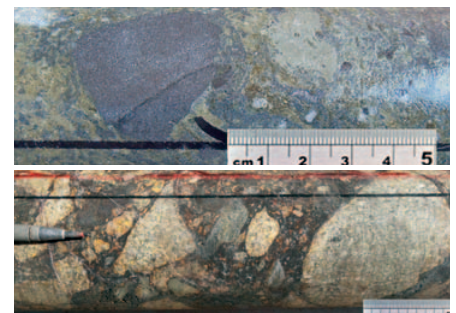


Figure 4: Paris Silver Project - Perspective view of MIK average grade block model panels (50m x 50m x 5m) above 25mRL with wire framed bulk breccia body (grey shade) looking grid north-east.



Selection of variably altered & silver mineralised polymict breccias.

Review of operations

Peterlumbo Project

The Paris discovery firmed up the concept of the Paris-Nankivel mineral system centred on the Nankivel granodiorite complex (Figure 5).

On-going research work of the Paris-Nankivel mineral system included further characterisation of the Paris deposit geochemistry and mineralisation using the multi-element dataset. A full suite of up to 61-elements were reviewed for the modelled breccia host body at Paris with statistical analysis of elemental associations, and elemental correlations particularly between silver, lead and zinc. The objective of this work was to define particular elemental correlations that could be applied over the wider mineral system drilling dataset to assist in target evaluation and upgrading. A number of correlating elemental associations have presented themselves, and are to be utilised on the regional dataset going forward.

A review of the Peterlumbo regional soil sampling dataset was completed. This assessed elemental associations with silver (and potential for vectoring accessory elements), and determination of elemental threshold anomalism for the assay suite. Two historical size fractions were analysed which gave broad agreement on target anomalies, albeit at differing thresholds. This data will be used in conjunction with the on-going Paris deposit characterisation work to re assess regional targets.

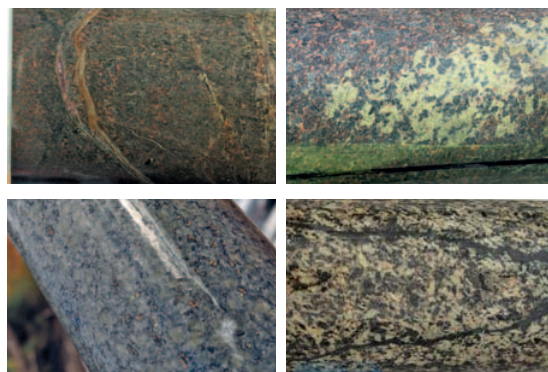
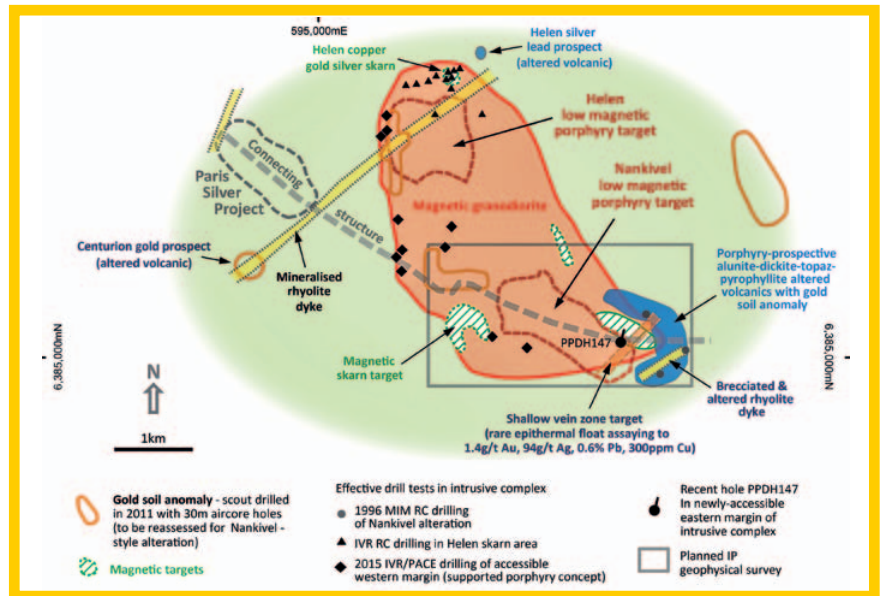
There are significant flow-on opportunities within the Peterlumbo tenement surrounding the Paris Silver Project for copper-gold in skarn and porphyry targets, nickel in basement ultramafics and other large silver targets. Figure 5 shows the porphyry target opportunities within the Paris-Nankivel mineral system.

Paris-Nankivel copper-gold Prospects

Our understanding of the potential for copper-gold skarn and porphyry deposits has advanced dramatically with the breakthrough discovery of a large porphyry system by drill hole PPDH147 in August/September 2016. This was our first hole to be drilled at the exciting new Nankivel prospect with up to A\$200,000 in co-funding under the South Australian Government's PACE program.

As announced in September, PPDH147 at the Nankivel prospect, 5km southeast of the 33Moz Paris silver deposit, intersected a mineralised monzonite porphyry down the entire 600m length of the hole. Sporadic and low-level copper sulphide is visible from 200m downhole depth. The drill core is currently being cut for assaying, including for gold and silver, with results expected within a month to assist targeting around the hole.

The drill result represents the discovery of a new porphyry copper district in Australia and, following the Paris epithermal silver discovery, is the second new deposit style to be uncovered by Investigator Resources in the past five years.

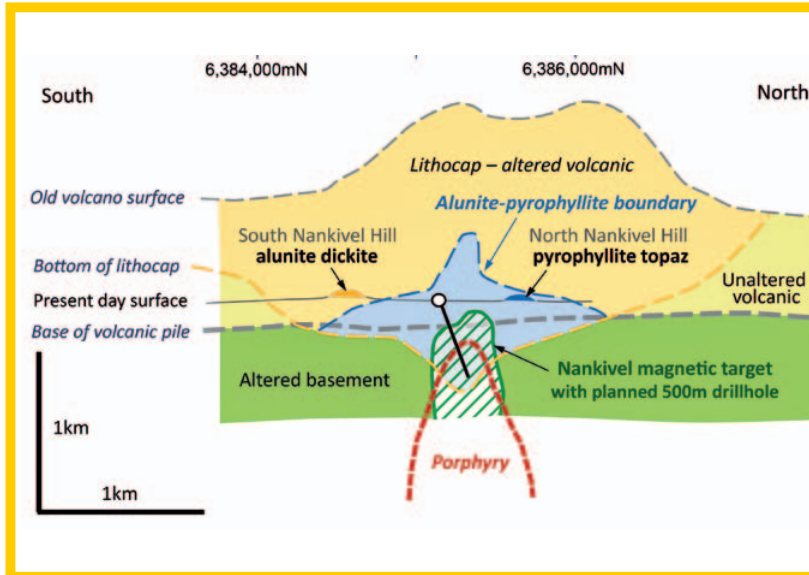


Selection of mineralised core samples.

Figure 5: Paris-Nankivel mineral system - Summary target plan.

Review of operations

Figure 6: Diagnostic section of the Nankivel Porphyry target, before drilling.



Prospective outcrop at Nankivel with Peterlumbo Hill in the background.

The result prompted an immediate review of Investigator's extensive geological, geophysical and drill data in the new context of the verified porphyry target model. The review identified two new porphyry copper target areas (Figure 5); Nankivel, extending 1.5km west of PPDH147, and Helen, 3km north of Nankivel at the opposite end of the intrusive complex. The target zones are delineated by areas of low magnetics.

These new targets are being followed up for immediate drill testing in October, also with PACE co-funding assistance. The new holes will test float evidence of shallow epithermal vein mineralisation in an interpreted 1km by 100m wide target zone (Figure 5) and will seek further mineralisation vectors within the porphyry system.

The full 3km by 2km area of the Nankivel porphyry system will be surveyed with Induced Polarisation as the standard geophysical technique used for porphyry targeting. The results will determine subsequent exploration tactics and further drilling at Nankivel and Helen.

The porphyry discovery by PPDH147 built on drilling by Investigator in 2014 that had already proved a copper-gold-silver skarn at Helen at the northern end of the intrusive complex. The Helen skarn is now interpreted to be on the margin of the second magnetically-depleted zone of similar size to the Nankivel porphyry copper target. Although drilling suggests the Helen skarn is small, it is significant support for the newly identified and large Helen porphyry target area.

The Nankivel and Helen porphyry targets are also enhanced by interconnection with the Paris silver deposit by mineralising structures and rhyolite dykes (Figure 5).

Review of operations

Diomedes nickel prospects

Investigator's data collection and research methodology also uncovered exciting new nickel potential for the region. On-going work within the Diomedes Prospect, including petrology, remapping and further review of past Investigator scout drill results firmed up the potential for shallow nickel. The age of the ultramafics has not been determined, however in 2010, meso-Archaean granites were dated 100km to the east.

The 2011 and 2014 scout drilling in the Diomedes area recognised nickel intersections in nine widely spaced holes with initial petrology identifying a metamorphosed ultramafic host in one hole, PPRC274. Additional consultant petrology was undertaken for other nickel anomalous holes and this expanded the extent of confirmed basement ultramafics to another four holes in a 2km by 1km area. Traces of nickel sulphide (pentlandite), were tentatively recognised with iron sulphide (pyrrhotite) and copper sulphide (chalcopyrite) in two holes. Although some secondary nickel enrichment is usually expected at shallow depths, the presence of sulphides at 54m depth is very encouraging for nickel sulphide targets at Diomedes. Intersections in older drilling (with no petrological material currently available) and magnetics indicate the area of the prospective ultramafic enclave to be at least 4km by 8km and potentially up to 5km by 10km in area.

In the northern half of the enclave, soil geochemistry has delineated about five strike kilometres of nickel anomalies in which the majority of the scout drilling has intersected ultramafics and elevated

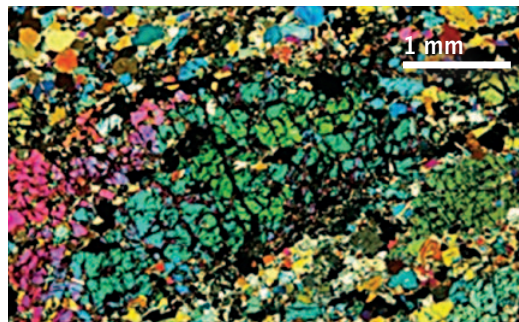
nickel. Shallow scout drilling of around 30m depth in 2011 also intersected nickel showing the southern half of the enclave is prospective under thin cover.

The pyrrhotite and magnetic associations with the nickel mineralisation in the northern part of the enclave warrant particular investigation of two moderate-intensity magnetic anomalies in the covered south.

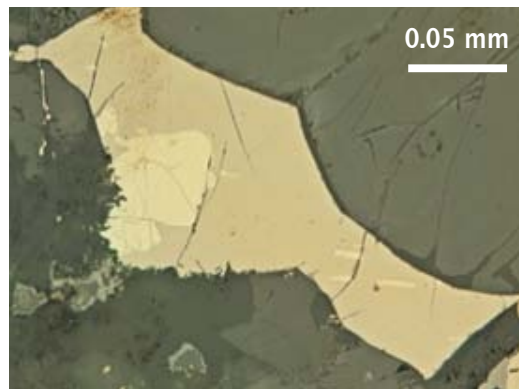
Drilling of the Diomedes nickel targets will be held over until the priority silver and copper-gold targets are tested.

Ares silver prospect

A geophysical review of the 2014 airborne electromagnetic VTEM data was undertaken with particular focus on the Ares prospect, north-west of the Paris Silver Project. Interpretation indicates the presence of a dipping body underlying generally more conductive possible cover or altered material. The VTEM data is being integrated with other target indicators such as spectral data to build a new target with initial similarities to the Paris deposit signature.



Diomedes olivine ultramafic (microscope photo).



Diomedes fresh sulphides at 54m drill hole depth (microscope photo).

Review of operations

Maslins Project

Following the release of breakthrough magneto-telluric geophysical research and surveys undertaken by the University of Adelaide and the State Government (Thiel & Heinson, 26th IUGG General Assembly, Prague 27 June 2015). Investigator secured four tenements in the IOCG-prospective southern extension of the Olympic Dam belt (Figure 2).

The Maslins project area is within the Stuart Shelf magneto-telluric Corridor (Figure 7) and the Olympic IOCG province on the eastern edge of the Gawler Craton. The Company sees the Maslins Project as a high-priority IOCG target in an under-explored and revitalised extension to the Olympic Dam IOCG belt. The Company started reviewing a significant amount of historic data covering over 40-years. All previous drilling in the Maslins target has been assessed as being too shallow, with drill holes stopping short of the palaeoproterozoic basement target zone. A number of cover prospects were identified with scout drilling undertaken by previous explorers. Integration and modelling of the diverse historic exploration data and

government surveys has identified possible IOCG geophysical targets in the basement and extensive areas of shallow base metal anomalism identified by past explorers.

Modelling of the geophysical data by an independent consultant and review of the surrounding historic drill holes upgraded the undrilled Maslins target. The results show that the IOCG target is a strong gravity anomaly modelled as a horizontal cylindrical body of about 0.5g/cc density contrast, 6km in length and 1km diameter. The top of the target is generally modelled at 700m depth with the shallowest part at 600m depth below surface (Figure 8).

The Maslins gravity target has several attributes that strongly support its

IOCG copper-gold potential:

- A gravity anomaly, with good density contrast.
- A size, shape and structural position along the margin of an interpreted horst block.
- A favourable geological position beneath the Gawler Range Volcanics (“GRV”) at a newly-recognised mid-GRV conglomerate that may mark the geological time and level of IOCG mineralisation.
- The right basement rocks, brecciation and mineralising processes demonstrated by lateral vectors showing increasing IOCG characteristics in prior drilling towards the Maslins target.

The main focus is now the preparation for the potential drilling in the first half of 2017, within the Whittata tenement, EL5705. A site reconnaissance visit has been undertaken to scope the proposed access routes and drillhole locations, which has involved consultation with the relevant landowners. Before drilling can commence, the Native Title Mining Agreement will need to be finalised followed by a Heritage Clearance Survey over the proposed drill sites and access routes. The objective is to undertake the necessary surveys late 2016/early 2017. A provisional 1,000m diamond hole is scheduled subject to the heritage clearance survey.

As interest in IOCG exploration in the Olympic Dam belt is returning, Investigator may consider offering the Maslins project to a suitable joint venture partner to facilitate testing of such a large discovery opportunity.



Geologists Andrew Alesci, Richard Hill and David Hopton reviewing Paris core at the warehouse of the Norwood office.

Review of operations

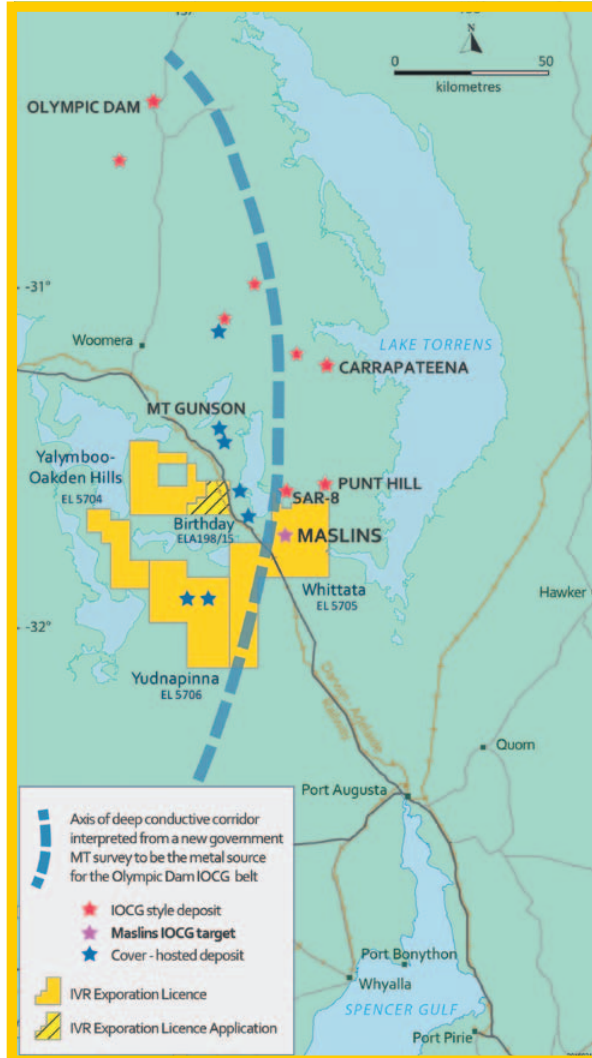


Figure 7: Plan showing the location of the Maslins IOCG target in relation to mineral deposits, the new interpreted magneto-telluric corridor and IVR tenements.

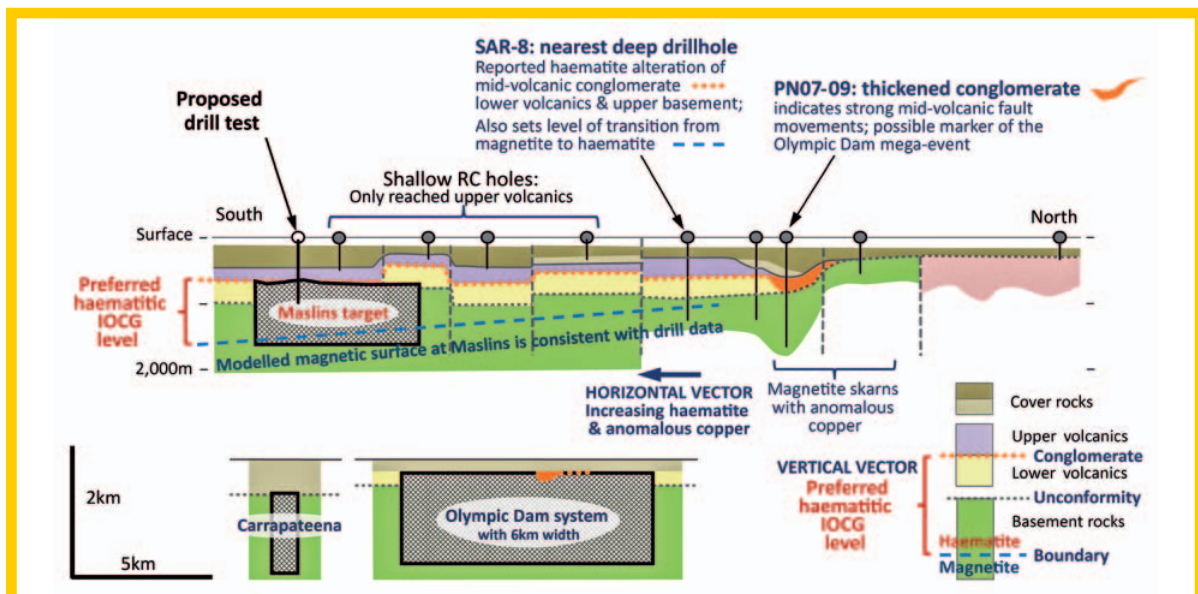


Figure 8: Geophysical modelled Maslins IOCG target.

Review of operations

Thurlga Joint Venture

In August 2014, Investigator, through its wholly owned subsidiary Gawler Resources Pty Limited expanded its tenement holding to the west of its Peterlumbo tenement by concluding a Joint Venture agreement with Peninsula Resources Limited (wholly owned subsidiary of Adelaide Resources Limited (ASX Code ADN)) to explore the very prospective area for silver and copper deposits adjacent to the Paris Silver Project.

The Joint Venture Farm-in agreement gives Investigator the right to earn 75% interest in the Thurlga tenement (333km²) (Figures 2 and 9) by exploration expenditure of A\$750,000 by 30 June 2017 as the manager of the exploration program. During the March 2015 Quarter, it was announced that the initial phase of expenditure, A\$200,000, was expended and the Company would continue with the Thurlga Joint Venture. Investigator may spend A\$550,000 by 30 June 2017 to earn a 75% equity interest in the Joint Venture and will continue to manage the Joint Venture during this time.

Infill soil sampling on a 250m grid continued during the second half of 2015, with nearly 900 samples collected, as well as a number of rock-chip samples. In parallel, ground investigation (mapping and soil/rock-chip sampling) of potential targets and re-logging of historical drilling was completed.

The REPTM and TEMPEST geophysical data, acquired by previous

explorers has been reprocessed and analysed. Results indicate that the most conductive features appear to be associated with the Thurlga palaeochannel. There are a number of conductive zones within the Thurlga syncline, most likely associated with graphitic metasediment of the Middleback group. There are also a

number of variably conductive and resistive bodies within or near to the Uno Fault (northern area of the Thurlga tenement). The exact nature or significance of these bodies cannot be determined as the majority of the data was collected on east-west lines, i.e. parallel to the target zone. Modelling of the aeromagnetic and gravity data gives strong evidence that the Uno Fault Zone is steeply dipping to the north and has significant structural complexity, rather than being a single fault or an unconformity.

Three geochemical anomalies have been identified for drilling; Wide, Yorker and Starburst (Figure 9). A PACE application was successful for the co-funding of the drilling at the three targets, with an initial aircore drill program of 1,110m and a 200m diamond drill hole.

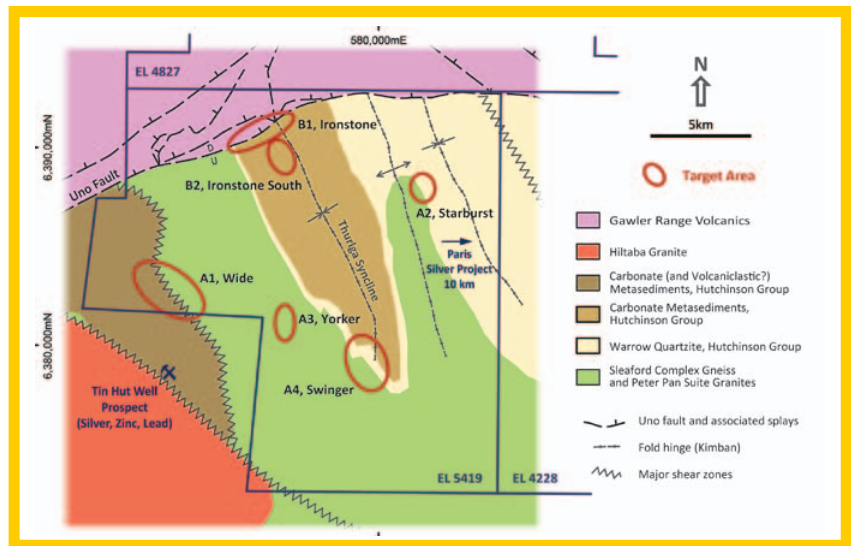


Figure 9: Thurlga JV Tenement - Summary of Interpreted Geology and Target Plan.

Review of operations

Other Investigator Projects

There has been limited activity on the other Projects/tenements in Investigator's portfolio, as the focus has been on the higher priority East Eyre Projects.

New Projects / Opportunities

Investigator is developing a strong position in the resurging southern Gawler Craton and therefore maintains an active generation program for future commodity opportunities. Recently the Company applied for two new applications, made in the name of Gawler Resources Pty Limited (Figure 1), and these are pending South Australian Ministerial approval.

The first, Tumby Bay (ELA2016/00056) located 5km west of Tumby Bay, in the southern area of the Eyre Peninsula, an area of 34km². It was selected for the nickel potential of a large magnetic anomaly adjacent to a historic nickel prospect.

The second application was Cunyarie (ELA2016/00080) for an area of 170km² located 25km north-northwest of Kimba. The area covers a magnetic anomaly situated in the regional southeast structural corridor extending from Paris. With similar attributes to the Nankivel magnetic anomaly, the Cunyarie target has potential for another prospective copper-gold porphyry system.

As well as looking for new tenement opportunities, the Company is and will continue to engage in discussions with potential joint venture and farm-in partners to supplement and expedite the development of the Company's existing projects and objectives.

Competent Person Statement

The information in this presentation relating to exploration results is based on information compiled by Mr. John Anderson who is a full time employee of the company. Mr. Anderson is a member of the Australasian Institute of Mining and Metallurgy. Mr. Anderson has sufficient experience of relevance to the styles of mineralisation and the types of deposits under consideration, and to the activities undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr. Anderson consents to the inclusion in this report of the matters based on information in the form and context in which it appears.

The information in this presentation that relates to Mineral Resources Estimates at the Paris Silver Project is extracted from the report entitled "Upgraded Paris resource estimate: 60% increase to 33Moz silver" dated 9 November 2015 and is available to view on the Company website www.investres.com.au. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

Tenement schedule

As at 1 September 2016 (Refer to Figure 2)

Tenement number (EL/ELA)	Tenement name	Registered holder	Tenement Area (km ²)	Expenditure (A\$)	Term
Project: East Eyre Peninsula (IVR 100%)			1,546		
5109	Lake Gilles	GRL	606	360,000	28/11/2016
4841	Moonabie	GRL	171	240,000	13/03/2017
5406	Botenella Gate	GRL	66	140,000	19/04/2018
4726 - 008/16	Barna Hill *	GRL	56	67,000	26/04/2016
4827	Mt Nott	GRL	173	45,000	16/01/2017
4938 - 117/16	Kimba *	IVR	209	110,000	05/11/2016
5697	Fairfield	IVR	231	240,000	18/01/2018
5826	Tumby Bay	GRL	34	70,000	10/08/2018
Project: Peterlumbo Project (IVR 100%)			583		
5368	Peterlumbo	Sunthe	583	1,020,000	02/03/2019
Project: Uno/Morgans (IVR 100%)			205		
5845	Uno Range	GRL	107	180,000	31/07/2018
4828	Morgans	GRL	98	40,000	16/01/2017
Project: West Eyre Peninsula (IVR 100%)			26		
5512	Googs Lake	IVR	26	70,000	26/11/2016
Project: Northern Yorke Peninsula (IVR 100%)			741		
5444	The Hummocks	GOY	491	320,000	29/06/2018
5713	Bute	GOY	250	280,000	28/11/2017
Project: Thurlga JV (IVR earning to 75%)			333		
5419	Thurlga	PRL, GRL earning to 75%	333	720,000	03/05/2019
Project: Maslins (previously Central Gawler) (IVR 100%)			2,372		
5704	Yalymboo-Oakden Hills	GRL	678	190,000	03/02/2018
5705	Whittata	GRL	901	230,000	03/02/2018
5706	Yudnapinna	GRL	676	190,000	03/02/2018
5738	Birthday	GRL	117	80,000	11/02/2018
Total Granted Project Tenement Area			5,806		
Project: East Eyre Peninsula (IVR 100%) - Applications			337		
080/16	Cunyarie **	GRL	170	Application	
113/16	Harris Bluff	GRL	167	Application	
Total Project Tenement Application Area			337		

Note: IVR - Investigator Resources Ltd.

IVR 100% - Investigator Resources Ltd and its wholly owned subsidiaries.

Sunthe - Sunthe Uranium Pty Ltd, a wholly owned subsidiary of Investigator Resources Ltd.

GRL - Gawler Resources Pty Ltd, a wholly owned subsidiary of Investigator Resources Ltd.

GOY - Goyder Resources Pty Ltd, a wholly owned subsidiary of Investigator Resources Ltd.

PRL - Peninsula Resources Ltd, a wholly owned subsidiary of Adelaide Resources Ltd.

* Renewal pending (Subsequent ELA).

** Offered and accepted by IVR, pending Ministerial approval.

Directors' report

The Directors of Investigator Resources Limited (the Company, Investigator Resources) present their report for the year to 30 June 2016.

Directors

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

Roger Marshall OBE BE, FAIM

Non-Executive Chairman

Roger has been the Non-Executive Chairman of Investigator Resources since December 2006. He has over 50-years' experience in the mining industry in management, marketing, finance and operational roles. Roger has also been responsible for the development and production of a number of mines in Australia.

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

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

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

Managing Director

John has been a Director of Investigator Resources since its inception as Southern Uranium in July 2005 and was appointed the Managing Director in December 2006. A geologist by training and exploration manager of 40-years' experience, John initiated the Company's strategy and development of its strong ground and innovative resource opportunities in the southern Gawler Craton of South Australia.

In his previous roles with Aberfoyle and then as General Manager Exploration Australia for Mt Isa Mines Exploration, he has explored in most Australian jurisdictions for a wide range of commodities with an emphasis on the major lead, zinc, silver, copper, gold, tin and nickel mining centres including Kalgoorlie, Broken Hill, McArthur River, Tasmania, central New South Wales, Mount Isa / Ernest Henry and the Gawler Craton.

John led teams in the discoveries of the Paris silver, Angas zinc and White Dam gold deposits in South Australia and several mineral sands deposits in the Murray Basin. He served as a Non-Executive Director of Southern Gold Limited from 2004 to 2008. He is a former President of the South Australian Chamber of Mines and Energy and is a current member of the South Australian government's Mining and Energy Advisory Council.

Bruce Edward Foy BCom LLB, FAICD

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

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

Bruce is currently Chairman of SMSF Owners' Alliance, a Non-Executive Director of The Doctor's Health Fund Pty Limited, Avant Insurance Limited, Avant Group Holdings and Professional Insurance Holdings Pty Limited. He was previously Chairman of State Water Corporation of NSW, Chairman of Transgrid Corporation, Chairman of the International Banks and Securities Association Limited, a Non-Executive director of CITIC Australia Trading Limited and a Trustee/Director of First State Super.

Bruce was admitted as a Barrister of the Supreme Court of New South Wales in 1989.

David Garred Jones BSc, MSc, FIMMM
(London), FAusIMM, MGSA, MAIME-SME

Non-Executive Director

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

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

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

David was Principal of consulting firm Vidoro Pty Limited from 2000 - 2014, engaged primarily in preparation of technical reports for submission to the Toronto and Australian Stock Exchanges on exploration properties and mines in Australia, Bolivia, Brazil, Indonesia, Kyrgyz Republic, Mongolia, PNG and The Philippines.

Company Secretary

The Company Secretary in office at the end of the financial year was Angelo Gaudio. Angelo has been Chief Financial Officer and Company Secretary for Investigator Resources since 15 March 2016. He has more than 35 years' experience in all facets of corporate financial and administrative functions and has served in Chief Financial Officer and Company Secretarial positions at a number of listed companies and private companies. Angelo is a Fellow of the Institute of Public Accountants and a certificated member of the Governance Institute of Australia.

Directors' Interests in the Company

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

	Ordinary Shares	Options Listed	Options Unlisted
R. Marshall (Chairman)	3,485,139	981,469	-
J. A. Anderson (Managing Director)	1,792,063	512,019	4,985,000
B. E. Foy (Non-Executive Director)	4,401,499	1,114,668	-
D. G. Jones (Non-Executive Director)	857,672	230,764	-

Directors' report continued

PRINCIPAL ACTIVITY

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

OPERATING AND FINANCIAL REVIEW

The Company recorded a loss after tax of \$233,180 (2015: \$2,320,576 loss) for the year ended 30 June 2016.

Strategy

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

- The advancement the Paris Silver Project to an Indicated Mineral Resource.
- Seeking additional larger silver and copper resources within the wider Paris field and broader Uno Province, with the potential and know-how demonstrated by the Paris discovery.
- Becoming a silver, lead, gold, copper and nickel developer through exploration and acquisition.

Operations - Exploration

The Company's key projects are:

- The Paris silver project, impending drilling commencement aimed at converting the Paris Mineral Resource to Indicated status;
- New silver targets near Paris that offer potential for either additions to the Paris resource or as stand-alone silver targets with conceptual potential for larger and higher-grade styles of silver deposits;
- Porphyry-style copper-gold deposits predicted to occur with the Paris style of epithermal deposit with one high-priority target at Nankivel ready for drill testing; and
- Maslins iron-oxide copper gold "IOCG" target in the Carrapateena district in the re-interpreted southern extension of the Olympic Dam IOCG belt.

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

The major exploration activities for the year were as follows:

- The completion and reporting of the independently-prepared estimation for the Inferred Mineral Resource. The Paris Silver Inferred Mineral Resource estimate was upgraded to 8.8Mt @116g/t silver containing 33Moz silver (at a 50g/t silver cut-off). This was a 60% uplift in the contained silver on the 2013 maiden Inferred Mineral Resource of 20Moz. The mineral resource is classified as Inferred due to the lack of grade continuity associated with both the relatively wide drillhole spacing and the localised high-grade samples typical with this style of breccia deposit. The upgrade was made possible by adding some of the northern extensions drilled after the maiden resource in 2013, but primarily through the increased confidence in the geological model. This enabled the fresh geostatistical approach to better model the mineralisation for the high-grade zones and the margins, while not imposing any preconception about open-pit designs.

- The Company continued to examine various development options and scenarios. These include on-going discussions with metallurgical and processing consultants for options of producing either a silver-lead concentrate utilising a flotation processing methodology, or a flotation/leach extraction method to produce silver doré bars.
- In addition, work assessed the options for modular mobile processing plants to enable flexibility in scaling-up to optimal output rates. The metallurgical processing could either be operated by the Company (higher initial capital costs) or lease a suitable process plant (lower capital costs) and operated by a third party specialist metallurgical process operator (likely higher operating costs).
- New scout drilling of a large accessible area mostly on the western rim of the Nankivel intrusive complex east of Paris intersected zinc, anomalous copper, alteration and intrusives that firmed the potential for porphyry and skarn copper at Nankivel Hill.
- The strengthening epithermal and porphyry character of the Paris-Nankivel area justified the Company's search for larger styles of silver and copper targets around Paris, in the adjacent Thurlga Joint Venture tenement and at the 12 Mile ironstone (Uno Range/Morgans) intrusive/epithermal system 100km east along the Uno Fault. This belt, referred to as the Uno province, is undergoing a geological reset that is revitalising the discovery opportunities in this part of South Australia. Mapping and sampling of limited outcrop and float continued in these areas with targeting guided by soil geochemistry at Thurlga and airborne magnetics at 12 Mile. Geophysical modelling confirmed the nature and prospectivity of the Uno Fault at multiple locations.

- Further drilling at Nankivel and Peterlumbo Hill firmed skarn and porphyry copper-gold discovery opportunities in the broader Paris minerals system.
- Review of prior shallow drilling identifies nickel sulphide potential in widespread basement ultramafics of possible Archean age at Diomedes, near Paris. The likelihood of further new nickeliferous areas is being assessed across the Uno Province.
- Investigator reacted quickly to the release of magnetotelluric geophysical research by the University of Adelaide and South Australian Government with successful submission of new tenement applications with copper and nickel potential. The new research indicated a possible deep metal corridor connecting the Olympic Dam iron-oxide, copper and gold (“IOCG”) belt with the Uno Province. On-going exploration work identified a strong undrilled gravity anomaly, the Maslins IOCG target, with the dense source modelled as a horizontal cylindrical body with dimensions of about 6km length and 1km diameter. The top of the target is generally modelled at 700m depth with the shallowest part at 600m depth below surface.

Financial Position

Exploration expenditure for the year was \$2,107,528, of which \$1.34 million was directed to the Paris / Nankivel opportunities situated near the Paris silver deposit. Net administration expenses and employee benefits for the year totalled approximately \$1.4 million. In addition research and development tax refunds of \$1.92 million were received during the year.

The loss for the year included \$873,853 of impaired capitalised exploration expenditure relating to the Mosley Nobs tenement and other tenements relinquished during the year.

At 30 June 2016, the Company had total cash and cash equivalents of \$1.5 million.

Outlook and Future Developments

Investigator is well-positioned with its principal asset of the Paris silver deposit for the likely up-turn led by recent increases in bullion interest and the silver price.

Investigator will use the new funds from its recently completed capital raising (refer to Note 21 of the notes to the financial statements) to primarily accelerate the development of the Paris silver project. Infill drilling will commence in September aimed at moving the Paris resource to Indicated Mineral Resource status. Metallurgical, hydrological and open-pit optimisations studies will be undertaken to consider the best development pathways. The objective is to complete a preliminary Feasibility study by mid-2017 and a feasibility study thereafter.

The balance of Investigator’s 2017 effort will be applied to selective drill testing a flow-on of new ideas and exploration targets arising from the Company’s innovative approach and Paris discovery success.

Substantial targets have been developed with the potential to rapidly grow Investigator to the next echelon of mineral resource company. These include:

- Silver targets in the Peterlumbo and Thurlga tenements that have the potential to build on the Paris silver resource.
- Breakthrough porphyry copper gold targets at Nankivel near Paris.
- Maslins IOCG copper gold target in the Carrapateena district.
- Nickel targets in possible Archean basement geology newly recognised near Paris and elsewhere throughout the northern Eyre Peninsula.

Drilling of the exploration targets will commence at Nankivel early in the 2017 Financial Year.

The proposed initial program for Paris and the exploration targets is costed at a total of about \$2.5million with added corporate/administration costs of \$1.2million.

Directors' report continued

REMUNERATION REPORT (AUDITED)

A. Principles and Agreements

Directors

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

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

Roger Marshall

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

David Jones

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

Bruce Foy

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

During November 2015, the board resolved to suspend the Non-executive Director's Share Scheme and also resolved that the non-executive directors implement a voluntary 30% reduction in fees effective from 1 December 2015.

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

Managing Director Service Agreement

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

- Base salary for the 2016 financial year of \$275,625 per annum (subject to annual review).
- Superannuation entitlement at 15% of the base salary.
- Annual short term incentives of up to \$100,000 with the quantum to be assessed in accordance with KPI to be agreed by the Board and the Managing Director.
- Long term incentives through the annual issue of share options having a value of up to \$80,000.

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

During November 2015, the Managing Director agreed to forgo the MD performance component for 2014-15 and the option component for 2015-16. The board resolved that the ESOP would not be renewed.

Company Secretary

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

Senior Management and Senior Technical Staff

To achieve its objectives of discovery of economic resources in a cost effective manner, the Company aims to attract and retain a skilled senior management and senior technical team focused upon contributing to that objective. To do this the Board has established a principle of offering competitive remuneration packages including the provision of long term incentives (LTIs). LTIs comprise the annual offering of share options to the value of up to 10% of an employee's base salary. Options have been issued in accordance with the Company's Employee Share Option Plan (ESOP) approved by shareholders at the 2012 Annual General Meeting. During November 2015 the board resolved that not the ESOP would not be renewed.

Relationship between Remuneration Policy and Financial Performance

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

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

	2016	2015	2014	2013	2012
Share Price (cps)	3.4	1.3	4.0	12.7	18.6

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

No salary increases were provided to Key Management Personnel in the 2016 financial year.

B. Key Management Personnel Remuneration

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

Key Management Personnel	Short-term Benefits		Post-Employment Benefits Superannuation	Long Service Leave	Share Based Payments - Options	Total	Performance based remuneration	Remuneration at Risk - STI
	Fees and/or Salary	Cash, Profit Sharing/ Other Bonuses						
	\$	\$	\$		\$	\$	%	%
2016								
R. Marshall ¹	57,750	-	5,775	-	-	63,525	-	-
J. A. Anderson	275,625	-	41,344	8,310	-	325,279	-	-
D. G. Jones ¹	10,833	-	34,542	-	-	45,375	-	-
B. E. Foy ¹	41,250	-	4,125	-	-	45,375	-	-
G. C. Gill ²	25,000	-	-	-	-	25,000	-	-
P. Harding- Smith ³	68,200	-	5,973	-	-	74,173	-	-
M. A. Gaudio ⁵	35,000	-	-	-	-	35,000	-	-
A. R. T. Thin	193,500	-	25,500	-	-	219,000	-	-
Totals	707,158	-	117,259	8,310	-	832,727	-	-
2015								
R. Marshall ¹	71,365	-	7,000	-	-	78,365	-	-
J. A. Anderson	282,516	100,000	34,453	8,287	35,156	460,412	29.4%	21.7%
D. G. Jones ¹	21,737	-	34,628	-	-	56,365	-	-
B. E. Foy ¹	51,365	-	5,000	-	-	56,365	-	-
G. C. Gill ²	120,000	-	-	-	-	120,000	-	-
C. P. Skidmore ⁴	26,897	-	691	-	-	27,588	-	-
A. R. T. Thin	193,500	-	25,500	-	19,995	238,995	8.4%	-
Totals	767,380	100,000	107,272	8,287	55,151	1,038,090	14.9%	9.6%

1. During November 2015, the board resolved to suspend the Non-executive Director's Share Scheme and also resolved that the non-executive directors implement a voluntary 30% reduction in fees effective from 1 December 2015.

2. G. C. Gill (Company Secretary/CFO) resigned effective 8 September 2015.

3. P Harding-Smith was appointed as Company Secretary/CFO effective 8 September 2015 and resigned effective 22 March 2016.

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

5. M. A. Gaudio was appointed as Company Secretary/CFO effective 15 March 2016.

There were no options over unissued shares issued as part of the Key Management Personnel remuneration during the financial year.

Directors' report continued

C. Equity Instruments

a) Movements in share holdings

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

Name 2016	Balance at beginning of year	Acquired			Balance at end of the year
		As Remuneration	On Market	Rights Issues	
R. Marshall	3,485,139	-	-	-	3,485,139
J. A. Anderson	1,792,063	-	-	-	1,792,063
B. E. Foy	3,951,338	-	450,161	-	4,401,499
D. G. Jones	857,672	-	-	-	857,672
M. A. Gaudio ¹	-	-	-	-	-
A. R. T. Thin	408,199	-	-	-	408,199
2015					
R. Marshall	3,435,139	50,000	-	-	3,485,139
J. A. Anderson	1,792,063	-	-	-	1,792,063
B. E. Foy	3,901,338	50,000	-	-	3,951,338
D. G. Jones	807,672	50,000	-	-	857,672
G. C. Gill ²	252,529	-	-	-	252,529
A. R. T. Thin	408,199	-	-	-	408,199

1. M. A. Gaudio was appointed as Company Secretary/CFO effective 15 March 2016

2. G. C. Gill (Company Secretary/CFO) resigned effective 8 September 2015.

Shares acquired as part of Directors' remuneration during year ended 30 June 2015 were acquired on market in accordance with a resolution of shareholders passed at the Annual General Meeting held on 25 November 2014.

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

C. Equity Instruments *continued***b) Movement in option holdings**

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

Name	Balance at beginning of year	Acquired as Remuneration	Acquired - Rights Issues	Disposals		Balance at end of the year
				Exercised	Lapsed	
2016						
R. Marshall	981,469	-	-	-	-	981,469
J. A. Anderson	6,402,019	-	-	-	(905,000) ¹	5,497,019
B. E. Foy	1,114,668	-	-	-	-	1,114,668
D. G. Jones	230,764	-	-	-	-	230,764
A. R. T. Thin	3,352,500	-	-	-	(490,000) ²	2,862,500
2015						
R. Marshall	981,469	-	-	-	-	981,469
J. A. Anderson	4,817,019	3,835,000	-	-	(2,250,000) ¹	6,402,019
B. E. Foy	1,114,668	-	-	-	-	1,114,668
D. G. Jones	230,764	-	-	-	-	230,764
A. R. T. Thin	1,012,500	2,340,000	-	-	-	3,352,500

1. Options issued to J A Anderson which lapsed during the year were issued in the 2013 financial year (2015: 2011)

2. Options issued to A R T Thin which lapsed during the year were issued in the 2013 financial year

End of audited Remuneration Report**DIRECTORS' AND COMMITTEE MEETINGS**

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

Director	2016	
	Eligible to Attend	Attended
R. Marshall	8	8
J. A. Anderson	8	8
D. G. Jones	8	8
B. E. Foy	8	8

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

DIVIDENDS

No dividends were declared and paid during the financial year.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

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

SIGNIFICANT EVENTS AFTER BALANCE DATE

On 25 July 2016, the Company completed a Placement to raise \$5.4m in cash (before costs) with funds to be used to accelerate development of the Paris silver project towards feasibility, with the target of becoming a high grade silver producer. All shares were issued under placement at a price of \$0.047 per share.

Other than as set out in this report and the attached financial statements, no matters or circumstances have arisen since 30 June 2016, which significantly affect or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in subsequent financial years.

LIKELY DEVELOPMENTS

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

Directors' report continued

INDEMNIFICATION OF DIRECTORS AND OFFICERS

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

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

The Company provides no indemnity to any auditor.

ENVIRONMENTAL REGULATION

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

SHARE OPTIONS

At the date of this report there were 130,324,704 unissued ordinary shares under option (133,734,704 at 30 June 2016 and 131,554,704 at 30 June 2015). During the financial year ended 30 June 2016, no options were exercised. No options have been exercised since year end to the date of this report.

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

AUDITOR INDEPENDENCE

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

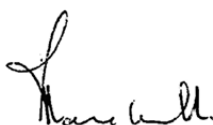
NON-AUDIT SERVICES

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

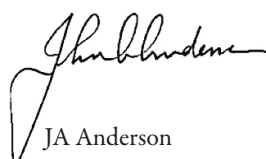
Grant Thornton received, or is due to receive, the following amounts for the provision of non-audit services during the year ended 30 June 2016:

	2016	2015
	\$	\$
Taxation compliance services	11,250	6,850

Signed in accordance with a resolution of the Directors.



R Marshall OBE
Chairman



JA Anderson
Managing Director

Adelaide
26 September 2016



Auditor's independence declaration



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Auditor's Independence Declaration To the Directors of Investigator Resources Limited

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Investigator Resources Limited for the year ended 30 June 2016, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- b no contraventions of any applicable code of professional conduct in relation to the audit.

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

CDJ Smith
Partner - Audit & Assurance

Brisbane, 27 September 2016

Grant Thornton Audit Pty Ltd ACN 130 913 594
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Liability limited by a scheme approved under Professional Standards Legislation. Liability is limited in those States where a current scheme applies.

Statement of profit or loss and other comprehensive income

for the year ended 30 June 2016

	Note	Consolidated	
		2016 \$	2015 \$
Other Income	2	81,487	98,273
Less expenses:			
Administrative expenses	3	(652,105)	(866,043)
Employee benefit expenses	3	(709,515)	(793,497)
Profit on disposal of plant & equipment		-	12,207
Exploration and evaluation expenses written off	11	(873,853)	(3,073,766)
Loss before income tax expense		(2,153,986)	(4,622,826)
Income tax expense	4	1,920,806	2,302,250
Loss attributable to members of the company		(233,180)	(2,320,576)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year attributable to the members of the company		(233,180)	(2,320,576)
Basic and diluted earnings per share (cents per share)	5	(0.05)	(0.51)

The accompanying notes form part of these financial statements

Statement of financial position

as at 30 June 2016

	Note	Consolidated	
		2016 \$	2015 \$
CURRENT ASSETS			
Cash and cash equivalents	6	1,457,408	2,588,279
Trade and other receivables	7	16,325	17,225
Inventories	8	13,652	9,984
Other Assets	9	21,442	-
Total Current Assets		1,508,827	2,615,488
NON CURRENT ASSETS			
Other assets	9	24,202	31,465
Plant and equipment	10	87,700	232,195
Exploration and evaluation assets	11	28,296,419	27,162,744
Total Non-Current Assets		28,408,321	27,426,404
TOTAL ASSETS		29,917,148	30,041,892
CURRENT LIABILITIES			
Trade and other payables	12	165,896	132,189
Employee benefit provisions	13(a)	212,223	209,795
Total Current Liabilities		378,119	341,984
NON CURRENT LIABILITIES			
Employee benefit provisions	13(b)	146,536	107,566
Total Non-Current Liabilities		146,536	107,566
TOTAL LIABILITIES		524,655	449,550
NET ASSETS		29,392,493	29,592,342
EQUITY			
Contributed equity	14	44,937,503	44,937,503
Share option reserve	15	900,070	866,739
Accumulated losses		(16,445,080)	(16,211,900)
TOTAL EQUITY		29,392,493	29,592,342

The accompanying notes form part of these financial statements

Statement of changes in equity

for the year ended 30 June 2016

	Note	Share Capital \$	Accumulated Losses \$	Share Option Reserve \$	Total \$
2015					
Balance at 30 June 2014		42,176,482	(13,891,324)	747,795	29,032,953
Transactions with owners:					
Shares issued during the period		2,932,533	-	-	2,932,533
Share issue costs		(171,512)	-	-	(171,512)
Options issued to employees		-	-	63,793	63,793
Options issued to key management personnel		-	-	55,151	55,151
Total transactions with owners		2,761,021	-	118,944	2,879,965
Loss attributable to members of the company		-	(2,320,576)	-	(2,320,576)
Balance at 30 June 2015		44,937,503	(16,211,900)	866,739	29,592,342
2016					
Transactions with owners:					
Shares issued during the period		-	-	-	-
Share issue costs		-	-	-	-
Options issued to employees		-	-	33,331	33,331
Options issued to key management personnel		-	-	-	-
Total transactions with owners		-	-	33,331	33,331
Loss attributable to members of the company		-	(233,180)	-	(233,180)
Balance at 30 June 2016		44,937,503	(16,445,080)	900,070	29,392,493

The accompanying notes form part of these financial statements

Statement of cash flows

for the year ended 30 June 2016

	Note	Consolidated	
		2016 \$	2015 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Interest received		53,902	93,220
Research and development refund	4	1,920,806	2,302,250
Proceeds from return of rental property bond		7,263	-
Payments to suppliers and employees		(1,095,366)	(1,358,636)
Net cash provided by (used in) operating activities	17	886,605	1,036,834
CASH FLOWS FROM INVESTING ACTIVITIES			
Exploration expenditure		(2,118,977)	(4,165,963)
Proceeds from disposal of plant and equipment		1,501	37,727
PACE Grant funding received		100,000	-
Net cash provided by (used in) investing activities		(2,017,476)	(4,128,236)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		-	2,932,533
Costs associated with share issue		-	(184,152)
Net cash provided by (used in) financing activities		-	2,748,381
Net increase (decrease) in cash held		(1,130,871)	(343,021)
Cash at beginning of year		2,588,279	2,931,300
Cash at end of year	6	1,457,408	2,588,279

The accompanying notes form part of these financial statements

Notes to the financial statements

for the year ended 30 June 2016

1. Statement of significant accounting policies

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

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

Basis of Preparation

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

Basis of Accounting

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

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.

On 19 July 2016 the Company announced a capital raising placement to raise \$5,400,000 (before costs) to be primarily used to fund its South Australian Paris silver project. The capital raising was completed on the 25 July 2016 through the issue of 114,893,617 ordinary shares and reinforced investor support for its Paris project and the company's ability to continue as a going concern.

Functional and Presentation Currency

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

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

(a) Principles of Consolidation

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

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

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

(b) Income Tax

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

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

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

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

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

Notes to the financial statements continued

for the year ended 30 June 2016

1. Statement of significant accounting policies continued

(c) Goods & Services Tax

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

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

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

(d) Revenue Recognition

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

(e) Exploration and Evaluation Expenditure

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

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

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

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

(f) Restoration Costs

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

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

(g) Inventories

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

(h) Plant and equipment

Plant and equipment is measured on the cost basis.

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

Depreciation

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

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

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

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

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

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

Notes to the financial statements continued

for the year ended 30 June 2016

1. Statement of significant accounting policies continued

(i) Financial Instruments

Recognition and Initial Measurement

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

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

Derecognition

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

or Loss and Other Comprehensive Income.

Financial assets at fair value through Profit or Loss

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

Loans and receivables

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

Held-to-maturity investments

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

Available-for-sale financial assets

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

Financial liabilities

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

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques

are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment

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

(j) Interests in Joint Operations

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

(k) Employee Benefits

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

Notes to the financial statements continued

for the year ended 30 June 2016

1. Statement of significant accounting policies continued

(l) Equity Settled Transactions

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

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

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

(m) Cash and Cash Equivalents

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

(n) Trade and Other Payables

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

(o) Borrowings

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

period of the borrowing using the effective interest rate method.

(p) Contributed Equity

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

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

(q) Earnings per Share (EPS)

Basic earnings per Share

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

Diluted earnings per Share

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

(r) Critical Accounting Estimates and Judgements

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

The Company makes estimates and judgments in applying the accounting policies. Critical judgments in respect of

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

(s) Research & Development Tax Refund

Any Research and Development tax refunds are recognised as a credit to income tax expense.

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

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 July 2016, and have not been applied in preparing these consolidated financial statements. Details of these new standards are set out below. None of these is expected to have a significant effect on the consolidated financial statements of the Company.

Notes to the financial statements continued

for the year ended 30 June 2016

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending	Likely impact
AASB 9 'Financial Instruments' (December 2014), AASB 2014-7 'Amendments to Australian Accounting Standards arising from AASB 9' (December 2014)	1 January 2018	30 June 2019	The entity is yet to undertake a detailed assessment of the impact of AASB 9. However, based on the entity's preliminary assessment, the Standard is not expected to have a material impact on the transactions and balances recognised in the financial statements when it is first adopted for the year ending 30 June 2019.
AASB 15 Revenue from contracts with customers, AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15	1 January 2018	30 June 2019	The entity is yet to undertake a detailed assessment of the impact of AASB 15. However, based on the entity's preliminary assessment, the Standard is not expected to have a material impact on the transactions and balances recognised in the financial statements when it is first adopted for the year ending 30 June 2019.
AASB 2014-10 'Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture'	1 January 2016	30 June 2018	When these amendments are first adopted for the year ending 30 June 2018, there will be no material impact on the transactions and balances recognised in the financial statements.
AASB 2015-1 'Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012-2014 Cycle'	1 January 2016	30 June 2018	When these amendments are first adopted for the year ending 30 June 2018, there will be no material impact on the transactions and balances recognised in the financial statements.
AASB 2015-2 'Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101'	1 January 2016	30 June 2017	When these amendments are first adopted for the year ending 30 June 2017, there will be no material impact on the transactions and balances recognised in the financial statements.
AASB 16 Leases	1 January 2019	30 June 2020	The entity is yet to undertake a detailed assessment of the impact of AASB 16. However, based on the entity's preliminary assessment, the Standard is not expected to have a material impact on the transactions and balances recognised in the financial statements when it is first adopted for the year ending 30 June 2020.

Notes to the financial statements continued

for the year ended 30 June 2016

	Consolidated	
	2016 \$	2015 \$
2. Other Income		
Operating activities:		
Other Income	31,228	-
Interest received and receivable from other persons	50,259	98,273
	81,847	98,273
3. Expenses from Continuing Operations		
Employee benefit expenses		
Benefits provided to employees	1,726,210	1,837,774
Charged to exploration and evaluation projects	(1,050,026)	(1,163,221)
Employee options expense	33,331	118,944
Total employee benefits expense	709,515	793,497
Administrative expenses:		
Audit fees	37,610	36,129
Other professional services paid to related entities of the auditor	11,250	6,200
Company secretarial fees	60,000	120,000
Depreciation	142,994	176,590
Directors fees (non-executives)	144,870	191,094
Insurance and legal	33,881	19,527
Minimum lease rental payments	64,645	90,418
Office expenses	202,006	257,206
Recruitment	-	-
Shareholder communications (includes ASX fees)	77,687	98,804
Expenditure allocated to exploration and evaluation projects	(122,838)	(129,925)
Total administrative expenses	652,105	866,043

Notes to the financial statements continued

for the year ended 30 June 2016

	Consolidated	
	2016 \$	2015 \$
4. Income Tax		
(a) The components of income tax expense comprise		
Current tax – research & development refund	1,920,806	2,302,250
Deferred tax	-	-
	1,920,806	2,302,250
(b) The prima facie tax on loss from ordinary activities before income tax is reconciled to the income tax as follows:		
Net profit/(loss)	(233,180)	(2,320,576)
Prima facie tax benefit on profit/(loss) from ordinary activities before income tax at 30%	(69,954)	(696,173)
Add/(less) tax effect of:		
Adjustment for non-deductible expenses	10,156	41,208
Temporary differences:		
Deductible capital raising costs	(64,288)	(98,700)
Allowable exploration and evaluation expenditure	(576,720)	(1,081,570)
Prior period exploration and evaluation expenses written off	236,617	889,018
Net non-allowable expenses	(574,380)	(7,980)
Reduction of losses in prior periods	132,741	556,619
	(1,171,310)	(397,578)
Tax effect of deferred tax assets not brought to account as they do not meet the recognition criteria	(1,171,310)	(397,578)
Current Tax Expense	-	-
(c) Unused tax losses and temporary differences for which no deferred tax asset has been recognised at 30%	(13,526,478)	(12,355,168)

5. Earnings Per Share

	No.	No.
Weighted average number of ordinary shares outstanding during the period used in the calculation of basic and diluted EPS	462,287,960	454,365,045

Options are considered potential ordinary shares. For the year ended 30 June 2016, their conversion to ordinary shares would have had the effect of reducing the loss per share from continuing operations. Accordingly the options were not included in the determination of diluted earnings per share for that period. Details relating to options are set out at notes 14(b), 14(c) and 16(b).

Notes to the financial statements continued

for the year ended 30 June 2016

	Consolidated	
	2016 \$	2015 \$
6. Cash and Cash Equivalents		
Cash at bank and on hand	1,457,408	2,588,279
7. Trade and Other Receivables		
Other receivables	16,325	17,225
8. Inventories		
Diesel fuel	13,652	9,984
9. Other Assets		
Current		
Insurance Prepayments	21,442	-
Non-current		
Deposits and bonds	24,202	31,465
10. Plant and Equipment		
Plant and equipment at cost	652,240	776,114
Accumulated depreciation	(564,540)	(543,919)
Balance	87,700	232,195
Movements in property plant and equipment:		
Opening written down value	232,195	434,305
Additions	-	-
Proceeds from disposal of plant and equipment	(1,501)	(37,727)
Profit on disposal of plant and equipment	-	12,207
Disposals and zero value assets written off	-	-
Depreciation expense	(142,994)	(176,590)
Closing written down value of plant and equipment	87,700	232,195

Notes to the financial statements continued

for the year ended 30 June 2016

	Consolidated	
	2016 \$	2015 \$

11. Exploration and Evaluation Asset

Exploration and evaluation expenditure carried forward in respect of areas of interest are:

Exploration and evaluation phase - at cost	28,296,419	27,162,744
Movement in exploration and evaluation asset:		
Opening balance - at cost	27,162,744	26,045,307
Capitalised exploration expenditure	2,107,528	4,191,203
PACE Funding Grant received offset to exploration & Evaluation	(100,000)	-
Written off from discontinued areas of interest	(873,853)	(3,073,766)
Carrying amount at the end of the period	28,296,419	27,162,744

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

12. Trade and Other Payables

Current unsecured:

Trade payables	115,602	82,253
Sundry payables and accrued expenses	50,294	49,936
Total payables (unsecured)	165,896	132,189

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

13. Employee Benefit Provisions

a) Current

Annual Leave	212,223	209,795
Movement in the provision was as follows:		
Opening balance	209,795	211,981
Entitlements	117,315	123,570
Payments	(114,887)	(125,756)
Closing balance	212,223	209,795

b) Non-Current

Long Service Leave	146,536	107,566
Movement in the provision was as follows:		
Opening balance	107,566	60,098
Entitlements	38,970	47,468
Payments	-	-
Closing balance	146,536	107,566

Notes to the financial statements continued

for the year ended 30 June 2016

	Consolidated	
	2016 \$	2015 \$

14. Contributed Equity

(a) Fully paid ordinary shares	44,937,503	44,937,503
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The share capital of Investigator Resources Limited consists only of fully paid ordinary shares, which do not have a par value. All shareholders participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held. At shareholders' meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

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

	Consolidated	
	2016 No.	2015 No.

(a) Fully paid ordinary shares (continued)

Number at the beginning of the reporting period	462,287,960	388,374,073
Issued in consideration for acquisition of 25% of Peterlumbo JV	-	12,011,569
Issued for \$0.04 each pursuant to Rights Issue Shortfall Prospectus	-	61,902,318
Balance at reporting date	462,287,960	462,287,960

(b) Listed Options

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

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

Notes to the financial statements continued

for the year ended 30 June 2016

	Consolidated	
	2016 No.	2015 No.
14. Contributed Equity <small>continued</small>		
(c) Unlisted Options		
Balance at the beginning of the reporting period	17,375,000	9,870,000
Options issued to Key Management Personnel (KMP) during the period	-	6,175,000
KMP Options lapsed during the period	(1,395,000)	(3,515,000)
Options issued to Employees during the period	4,410,000	5,260,000
Employee options lapsed during the period	(835,000)	(415,000)
Employee Options exercised	-	-
Balance at reporting date	19,555,000	17,375,000

There were no unlisted options issued to Key Management Personnel (KMP) in the current period, and 1,395,000 KMP options expired during the period.

The Company issued 4,410,000 unlisted options to various employees pursuant to the Company's Employee Share Option Scheme and in accordance with their employment contracts. The options are fully vested, unlisted and have exercise prices and expiry dates as set out in Note 16(b) below.

The fair value of all options issued during the year as part of employee remuneration was \$33,331 (2015: \$118,944) and was determined using the Black Scholes model (refer Note 16 (b) for further information).

Subsequent to year ended 30 June 2016, 3,410,000 employee unlisted options have been exercised.

15. Reserves

Share Option Reserve

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

Notes to the financial statements continued

for the year ended 30 June 2016

16. Share Based Payments

(a) Shares

During the reporting period there were no share based payments issued to Directors or KMP.

(b) Unlisted Options

During the year unlisted fully vested options were issued to various employees. Details of the options issued are set out at Note 14 (c) above.

The fair value of the options of \$33,331 was determined using the Black Scholes option pricing model using the following inputs:

Weighted average share price at date of grant(\$)	0.0114
Weighted average exercise price (\$)	0.0164
Weighted average volatility %	121.62
Weighted average risk free rate %	1.85
Days to expiry	1,096
Fair value of options \$	33,331

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

	KMP		Employees	
	No of Options	Weighted Ave exercise price	No of Options	Weighted Ave exercise price
Outstanding at 1 July 2014	6,220,000	\$0.152	3,650,000	\$0.116
Granted	6,175,000	\$0.021	5,260,000	\$0.024
Lapsed	(3,515,000)	\$0.185	(415,000)	\$0.251
Exercised	-	-	-	-
Outstanding at 30 June 2015	8,880,000	\$0.048	8,495,000	\$0.053
Granted / Issued	-	-	4,410,000	\$0.016
Lapsed	(1,395,000)	\$0.187	(835,000)	\$0.168
Outstanding at 30 June 2016	7,485,000	\$0.022	12,070,000	\$0.031

Notes to the financial statements continued

for the year ended 30 June 2016

	Consolidated	
	2016	2015
	\$	\$

17. Cash Flow Information

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

Loss from ordinary activities after income tax	(233,180)	(2,320,576)
Non-cash flows in profit from ordinary activities:		
Depreciation	142,994	176,590
Profit on disposal of plant and equipment	-	(12,207)
Employee provisions - current	2,428	(2,188)
Employee provisions – non current	38,970	47,468
Employee options expense	33,331	118,944
Exploration expenditure written off	873,853	3,073,766
Changes in operating assets and liabilities:		
(Increase)/Decrease in receivables	(21,059)	15,805
(Increase)/Decrease in inventory	(3,668)	(6,776)
(Increase)/Decrease in Prepayments	(21,442)	-
(Decrease)/Increase in creditors and accruals	74,378	(53,992)
Cash flows from operations	886,605	1,036,834

18. Interests in Joint Operations and Farm – in Arrangements

The consolidated entity had interests in unincorporated joint operations at 30 June 2016 as follows:

	Percentage Interest 2016	Percentage Interest 2015
(a) Thurlga – Farm in agreement with Peninsula Resources Pty Ltd under which the Company has the right to earn a 75% interest in EL 5419 on the expenditure of \$750,000. The initial phase expenditure of \$200,000 was completed during the year ended 30 June 2015 and the Company continues with the farm in arrangements.	Nil	Nil

Notes to the financial statements continued

for the year ended 30 June 2016

19. Controlled Entities

Interests in controlled entities are as follows:

Name	Principal Activity	Country of Incorporation	Share Interest	Ownership of Investment		Carrying Amount	
				2016	2015	2016	2015
Sunthe Uranium Pty Ltd	Mineral exploration	Australia	Ordinary	100%	100%	1	1
Gilles Resources Pty Ltd	Mineral exploration	Australia	Ordinary	100%	100%	1	1
Silver Eyre Pty Ltd	Mineral exploration	Australia	Ordinary	100%	100%	1	1
Kimba Minerals Pty Ltd	Mineral exploration	Australia	Ordinary	100%	100%	1	1
Goyder Resources Pty Ltd	Mineral exploration	Australia	Ordinary	100%	100%	1	1
Gawler Resources Pty Ltd	Mineral exploration	Australia	Ordinary	100%	100%	1	1

20. Expenditure Commitments and Contingent Liabilities

(a) Exploration Expenditure Commitments

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

These obligations will vary from time to time, subject to statutory approval. The terms of current and future joint ventures, the grant or relinquishment of licences and changes to licence areas at renewal or expiry, will alter the expenditure commitments of the consolidated entity. To keep tenements in good standing, work programs should meet certain minimum expenditure requirements. If the minimum expenditure requirements are not met, the Company has the option to negotiate new terms or relinquish the tenements. The Company also has the ability to meet expenditure requirements by joint venture or farm in agreements.

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

	2016	2015
Not later than one year	1,995,000	1,441,257
Later than one year but not later than two years:	2,070,000	248,729
Later than two years but not later than five years	340,000	45,771

(b) Office Rental

The consolidated entity relocated its head office from Brisbane to Adelaide during April 2016 and has entered into rental agreements to occupy its premises Adelaide. Total expenditure commitments at balance date in respect of minimum expenditure requirements not provided for in the financial statements are approximately:

	2016	2015
Not later than one year	105,711	191,096
Later than one year but not later than two years:	37,202	53,995
Later than two years but not later than five years	28,525	-

Notes to the financial statements continued

for the year ended 30 June 2016

21. Subsequent Events

On 25 July 2016, the Company completed a Placement to raise \$5.4m (before costs) with funds to be used to accelerate development of the Paris silver project towards feasibility, with the target of becoming a high grade silver producer. All shares were issued under placement at a price of \$0.047 per share.

Other than as set out in this report and the attached financial statements, no matters or circumstances have arisen since 30 June 2016, which significantly affect or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in subsequent financial years.

22. Related Party Disclosures

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

Transactions with Key Management Personnel

Key management personnel remuneration includes the following expenses:

	2016	2015
Short term employee benefits:		
Salaries including bonuses	707,159	867,380
Total short term employee benefits	707,159	867,380
Long-term benefits:		
Long service leave	8,310	8,287
Total other long-term benefits	8,310	8,287
Post-employment benefits:		
Defined contribution pension plans	117,259	107,272
Total post-employment benefits	117,259	107,272
Share-based payments	-	55,151
Total remuneration	832,728	1,038,090

23. Financial Instruments

(a) Financial Risk Management

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

i) Treasury Risk Management

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

ii) Financial Risks

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

Liquidity risk

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

Notes to the financial statements continued

for the year ended 30 June 2016

23. Financial Instruments continued

Credit risk

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

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

(b) Financial Instruments

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

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

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

	Weighted Average Interest Rate	Average Cash Balance \$
2016		
Cash and cash equivalents	1.8%	3,033,246
2015		
Cash and cash equivalents	2.5%	3,912,080

ii) Net Fair Values

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

iii) Sensitivity Analysis

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

Interest Rate Sensitivity Analysis

At 30 June 2016, the effect on profit and equity as a result of changes in the interest rate, with all other variables remaining constant would be as follows:

	Consolidated	
	2016 \$	2015 \$
Change in profit:		
Increase in interest rate by 2%	60,665	78,242
Decrease in interest rate by 2%	(60,665)	(78,242)
Change in Equity		
Increase in interest rate by 2%	60,665	78,242
Decrease in interest rate by 2%	(60,665)	(78,242)

Notes to the financial statements continued

for the year ended 30 June 2016

24. Parent Entity Information

	2016 \$	2015 \$
Statement of Financial Position		
Current assets	1,508,827	2,615,487
Total assets	29,917,148	30,041,892
Current liabilities	378,119	341,983
Total liabilities	524,654	449,550
Net assets	29,392,494	29,592,342
Equity		
Issued capital	44,937,504	44,937,503
Share option reserve	900,070	866,739
Accumulated losses	(16,445,080)	(16,211,900)
Total equity	29,392,494	29,592,342
Statement of Profit or Loss and Other Comprehensive Income		
Income	81,487	98,273
(Loss) for the year	(233,180)	(2,320,576)

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

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

25. Segment Information

The consolidated entity has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources. The consolidated entity operates in a single operating segment: that of the mineral exploration industry in Australia.

26. Company Information

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

18 King Street
NORWOOD SA 5067

27. Authorisation of Financial Statements

The consolidated financial statements for the year ended 30 June 2016 (including comparatives) were approved and authorised for issue by the Board of Directors on 26 September 2016.

Directors' declaration

The Directors of the company declare that:

1. the financial statements and notes are in accordance with the Corporations Act 2001 and:
 - a. comply with Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and
 - b. give a true and fair view of the financial position as at 30 June 2016 and of the performance for the year ended on that date of the company and consolidated group;
2. the Chief Executive Officer and Chief Finance Officer have each declared that:
 - a. the financial records of the company for the financial year have been properly maintained in accordance with section 286 of the Corporations Act 2001;
 - b. the financial statements and notes for the financial year comply with the Accounting Standards; and
 - c. the financial statements and notes for the financial year give a true and fair view;
3. in the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.
4. Note 1 confirms that the consolidated financial statements also comply with International Financial Reporting Standards

Signed in accordance with a resolution of the Directors.



R Marshall OBE
Chairman



JA Anderson
Managing Director

Adelaide
26 September 2016

Independent auditor's report



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

Report on the financial report

We have audited the accompanying financial report of Investigator Resources Limited (the "Group"), which comprises the consolidated statement of financial position as at 30 June 2016, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the consolidated entity comprising the Group and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

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

Auditor's responsibility

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

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

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Independent auditor's report continued



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

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

Independence

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

Auditor's opinion

In our opinion:

- a the financial report of Investigator Resources Limited is in accordance with the Corporations Act 2001, including:
 - i giving a true and fair view of the consolidated entity's financial position as at 30 June 2016 and of its performance for the year ended on that date; and
 - ii complying with Australian Accounting Standards and the Corporations Regulations 2001; and
- b the financial report also complies with International Financial Reporting Standards as disclosed in the notes to the financial statements.

Report on the remuneration report

We have audited the remuneration report included in pages 6 to 10 of the directors' report for the year ended 30 June 2016. The Directors of the Group are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's opinion on the remuneration report

In our opinion, the remuneration report of Investigator Resources Limited for the year ended 30 June 2016, complies with section 300A of the Corporations Act 2001.

A handwritten signature in blue ink that reads "Grant Thornton".

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

A handwritten signature in blue ink that reads "Cameron Smith".

CDJ Smith
Partner - Audit & Assurance

Brisbane, 27 September 2016

Shareholder information

as at 1 September 2016

Twenty largest Shareholders

1	CITIC Australia Pty Ltd	67,097,772	11.56
2	Citicorp Nominees Pty Limited	33,217,012	5.72
3	Gregmal Nominees Pty Limited <Gregmal Capital A/C>	12,710,633	2.19
4	Mega Redport Ltd	12,011,569	2.07
5	Mr Dimitri Emil Lajovic	8,893,625	1.53
6	Mr Marc David Harding	8,201,288	1.41
7	Bnp Paribas Noms Pty Ltd <Uob Kay Hian Priv Ltd Drp>	6,630,000	1.14
8	Mr Brian William Hanna	5,000,000	0.86
9	Taipan Investment Management Pty Limited <Taipan No 1 A/C>	4,468,085	0.77
10	Mr Malcolm Thom	4,005,320	0.69
11	Mapt Pty Limited <Map Thom Super Fund A/C>	4,000,000	0.69
12	Mr Bruce Edward Foy + Mrs Elizabeth Mary Foy <Cecilton Super Fund A/C>	3,951,338	0.68
13	Mr Dezhong Yuan	3,782,337	0.65
14	Willow Glenn Pty Limited	3,755,319	0.65
15	Robertson Architectural Services Pty Ltd <Robertson Family S/F A/C>	3,500,000	0.60
16	Mr Nicholas Playford Forgan	3,465,236	0.60
17	Bond Street Custodians Limited <Aaapps - V13903 A/C>	3,081,671	0.53
18	Myrtlemont Pty Ltd <Erendirk Super Fund A/C>	2,857,199	0.49
19	Woree Investments Pty Ltd <Bungalow Super Fund A/C>	2,769,747	0.48
20	Syracuse Capital Pty Ltd <The Tenacity A/C>	2,601,064	0.45
	Total Top 20 Shareholders	195,999,215	33.76

Distribution of Shareholders

Range	Total Holders	Shares	% Issued Capital
1 – 1,000	214	20,350	0.00
1,001 – 5,000	431	1,494,538	0.26
5,001 – 10,000	430	3,523,453	0.61
10,001 – 100,000	1,737	70,831,339	12.20
100,001 – 9,999,999,999	757	504,721,897	86.93
Total	3,569	580,591,577	100.00
Unmarketable Parcels	1,141	5,765,820	

Substantial Shareholders

Details of substantial shareholders are set out below:

Name	No. of Options	%
CITIC Australia Pty Ltd	67,097,772	11.56

Shareholder information

Twenty largest Option holders

1	J King Super Pty Ltd <John King Super A/C>	13,342,437	11.69
2	Mr Michael Rex Hunt	3,250,000	2.85
3	Equity Trustees Limited <Lowell Resources Fund A/C>	3,082,045	2.70
4	Invenst Pty Ltd	3,000,000	2.63
5	Mr Martin Music	2,500,000	2.19
6	Berenes Nominees Pty Ltd <Berenes Super Fund A/C>	2,000,000	1.75
7	Mr Peter Joseph Koch + Mrs Ellen Margrethe Koch <The Koch Family A/C>	2,000,000	1.75
8	Taylor Family Investments Pty Ltd <Taylor Family S/F A/C>	2,000,000	1.75
9	Woree Investments Pty Ltd <Bungalow Super Fund A/C>	1,912,126	1.67
10	Mr Ian Hembrow	1,846,000	1.62
11	Mr James Robert Winckel + Mrs Lynette Anne Winckel	1,700,000	1.49
12	Mr Ian Charles Aberdeen	1,500,000	1.31
13	Mapt Pty Limited <Map Thom Super Fund A/C>	1,500,000	1.31
14	Mr Barry James Preston	1,500,000	1.31
15	Mr Graham Charles Taylor	1,500,000	1.31
16	Cambourne Capital Pty Limited	1,450,000	1.27
17	Ocs Nominees Pty Ltd <The Leaping Lizard A/C>	1,350,000	1.18
18	Mr Arnold Getz + Mrs Ruth Ann Getz	1,300,000	1.14
19	Mr Warren Neal Tuttiatt	1,300,000	1.14
20	Mr Luke Kain	1,271,278	1.11
	Total Top 20 Option holders	49,303,886	43.18

Distribution of Option holders

Range	Total Holders	Shares	% Issued Capital
1 – 1,000	23	9,698	0.01
1,001 – 5,000	151	427,655	0.37
5,001 – 10,000	86	651,369	0.57
10,001 – 100,000	240	9,571,985	8.38
100,001 – 9,999,999,999	143	103,518,997	90.66
Total	643	114,179,704	100.00
Unmarketable Parcels	441	5,812,162	

Substantial Option holders

Details of substantial option holders are set out below:

Name	No. of Options	%
J King Super Pty Ltd <John King Super A/C>	13,342,437	11.69

Shareholder information

Ordinary Shares

Every holder of ordinary shares has the right to receive notices of, to attend and to vote at general meetings of the Company. On a show of hands every shareholder present at a meeting in person or by proxy, attorney or representative is entitled to one vote and upon a poll each share is entitled to one vote.

Options

Options are unlisted and holders have no voting Rights.

Restricted Securities

The Company has no restricted securities.



Corporate directory

Investigator Resources Limited

ABN 90 115 338 979

Registered Office and place of business

18 King Street
Norwood, South Australia, 5067

PO Box 3235
Norwood, South Australia, 5067

Telephone: +61 8 7325 222
info@investres.com.au
www.investres.com.au

Directors

Roger Marshall OBE
Non-Executive Chairman

John Anderson
Managing Director

David Jones
Non-Executive Director

Bruce Foy
Non-Executive Director

Company Secretary
Angelo Gaudio

Auditors

Grant Thornton Audit Pty Ltd
145 Ann Street, Brisbane, Queensland, 4000
Telephone: +61 (0)7 3222 0200
Facsimile: +61 (0)7 3222 0444

Share Registry

Computershare Investor Services Pty Ltd
GPO Box 2975, Melbourne, Victoria, 3001
Enquiries (within Australia): 1300 850 505
Enquiries (outside Australia): +61 (0)3 9415 4000
www.computershare.com

Stock Exchange Listing

Australian Securities Exchange Limited
Home Exchange – Sydney (code: IVR)

The Company's Corporate Governance Statement is available on the Company's website:

[www.investres.com.au/corporate/Corporate Governance](http://www.investres.com.au/corporate/Corporate%20Governance)

