



# **INVESTIGATOR RESOURCES LIMITED**

**ACN 115 338 979**

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## **NOTICE OF ANNUAL GENERAL MEETING**

**AND**

## **EXPLANATORY MEMORANDUM**

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Date of Meeting: Tuesday 22 November 2016  
Time of Meeting: 2.00pm (Adelaide time)  
Place of Meeting Grant Thornton  
Level 1  
67 Greenhill Road  
Wayville SA 5034



## **NOTICE OF ANNUAL GENERAL MEETING**

Notice is given that the Annual General Meeting of Members of Investigator Resources Limited (the Company) will be held at **2:00 pm on Tuesday 22 November 2016 at Grant Thornton, Level 1, 67 Greenhill Road, Wayville, SA 5034.**

### **AGENDA**

#### **ORDINARY BUSINESS**

Financial Statements and Reports

1. Resolution 1: Remuneration Report
2. Resolution 2: Re- election of Mr. David Jones

#### **SPECIAL BUSINESS**

3. Resolution 3: Ratify the Issue of Shares under Previous Placement
4. Resolution 4: Issue of Options to Mr John Alexander Anderson

#### **SPECIAL RESOLUTION**

5. Resolution 5: Approval to issue an additional 10% of the issued capital of the Company over a 12 month period pursuant to Listing Rule 7.1A

## **ORDINARY BUSINESS**

### **Financial Statements and Reports**

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To receive and consider the Financial Report and the Reports of the Directors and the Auditor in respect of the period ended 30 June 2016 (**Reports**).

Neither the Corporations Act nor the Company's Constitution requires Shareholders to vote on such reports. However Shareholders will be given ample opportunity to raise questions about the Reports at the meeting.

### **Resolution 1: Remuneration Report**

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To consider and, if thought fit, to pass the following advisory resolution in accordance with Section 250R(2) of the *Corporations Act*:

*"That the Company be authorised to adopt the Remuneration Report for the year ended 30 June 2016".*

#### **Advisory Vote**

The vote on this Resolution 1 is advisory only and does not bind the Directors of the Company.

#### **Voting Restriction pursuant to Section 250R(4) of the Corporations Act**

A vote on Resolution 1 must not be cast (in any capacity) by or on behalf of either of the following persons:

- (a) a member of the Key Management Personnel details of whose remuneration are included in the Remuneration Report;
- (b) a Closely Related Party of such a member.

However, the above persons may cast a vote on Resolution 1 as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on the resolution; or
- (b) the voter is the Chair and the appointment of the chair as proxy:
  - (i) does not specify the way the proxy is to vote on the resolution; and
  - (ii) expressly authorises the chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel

### **Resolution 2: Re- election of Mr. David Jones**

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To consider and, if thought fit, to pass the following Ordinary Resolution:

*"That Mr. David Jones, who retires by rotation in accordance with Clause 117 of the Company's Constitution and Listing Rule 14.4, and being eligible, be re-elected as a Director of the Company."*

## SPECIAL BUSINESS

### Resolution 3: Ratify the Issue of Shares under Previous Placement

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To consider and, if thought fit, pass the following resolution, with or without amendment, as an Ordinary Resolution of the Company:

*“That in accordance with the provisions of ASX Listing Rule 7.4, and for all other purposes, the Shareholders ratify the previous issue of one hundred and fourteen million, eight hundred and ninety three thousand, six hundred and seventeen (114,893,617) fully paid ordinary shares in the Company (**Previous Shares**) on 25 July 2016 to sophisticated and professional investors on the terms and conditions set out in the Explanatory Memorandum.”*

#### Voting exclusion statement

The Company will disregard any votes cast on this Resolution by:

- a person (or persons) who participated in the issue under Previous Placement; and
- any associate of that person (or those persons).

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

### Resolution 4: Issue of Options to Mr. John Alexander Anderson

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To consider and, if thought fit, pass the following resolution, as an Ordinary Resolution of the Company:

*“That in accordance with section 208(1) (Part 2E) of the Corporations Act and Listing Rule 10.11 and for all other purposes, the Company be authorised to issue 3,415,000 Options to Mr John Alexander Anderson, being the Managing Director of the Company, or his nominee (**Mr Anderson**) and otherwise on terms set out in the Explanatory Memorandum”.*

#### Voting exclusion statement

The Company will disregard any votes cast on this Resolution by:

- Mr Anderson; and
- any associate of Mr Anderson.

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

## **SPECIAL RESOLUTION**

### **Resolution 5: Approval to issue an additional 10% of the issued capital of the Company over a 12 month period pursuant to Listing Rule 7.1A**

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To consider and, if thought fit, pass the following resolution with or without amendment, as a Special Resolution:

*“That, pursuant to and in accordance with Listing Rule 7.1A and for all other purposes, the Shareholders approve the issue of Equity Securities of up to 10% of the issued capital of the Company (at the time of issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Memorandum.” (Placement Securities).”*

#### **Voting exclusion statement**

The Company will disregard any votes cast on this Special Resolution by a person who may participate in the proposed issue and any person who might obtain a benefit, (except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed), and the associates of any such persons.

However, the Company need not disregard a vote if: it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

#### **Important Note:**

The proposed allottees of any Placement Securities are not as yet known or identified. In these circumstances (and in accordance with the note set out in ASX Listing Rule 14.11.1 relating to ASX Listing Rules 7.1 and 7.1A), for a person’s vote to be excluded, it must be known that that person will participate in the proposed issue. Where it is not known who will participate in the proposed issue (as is the case in respect of the Placement Securities), Shareholders must consider the proposal on the basis that they may or may not get a benefit and that it is possible that their holding will be diluted and there is no reason to exclude their votes.

### **Voting Intention of the Chair for all Resolutions**

Shareholders should be aware that any undirected proxies given to the Chair will be cast by the Chair and counted in favour of the Resolutions the subject of this Meeting, subject to compliance with the Corporations Act.

### **Record Date - Snap Shot Time**

Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) permits the Company to specify a time, not more than 48 hours before the Meeting, at which time a ‘snap shot’ of Shareholders will be taken for the purposes of determining Shareholder entitlements to vote at the Meeting. The Directors have determined such time will be 7:00pm AEST on 20 November 2016 (“Record Date”).



**Voting Instructions**

Registered holders of the ordinary shares of the Company on the Record Date will be entitled either to attend the Meeting in person to vote the securities held by them or, provided a completed and executed Proxy Form has been delivered to the Company as indicated below, vote their securities by proxy.

Proxy Forms for the Meeting are enclosed with this Notice of Meeting. These Proxy Forms provide further details on appointing a Proxy. Proxy Forms (and the original or a certified copy of the power of attorney if the Proxy Form is signed by an attorney) must be received by the Company, by no later than 2:00 pm (AEST) on Sunday 20 November 2016, in accordance with the lodgement instructions detailed on the applicable Proxy Form.

Any Proxy Form received after the relevant time noted above will not be valid for the Meeting.

**By order of the Board**

Angelo Gaudio  
Company Secretary  
20 October 2016

## EXPLANATORY MEMORANDUM

This Explanatory Memorandum is provided to Shareholders of Investigator Resources Limited (Company) to explain the Resolutions to be put to Shareholders at the Annual General Meeting to be held at **2:00 pm on Tuesday 22 November 2016 at Grant Thornton, Level 1, 67 Greenhill Road, Wayville, SA 5034.**

The Directors recommend Shareholders read the accompanying Notice of Meeting and this Explanatory Memorandum in full before making any decision in relation to the Resolutions.

Terms used in this Explanatory Memorandum are defined in Section 6.

### **Financial Statements and Reports**

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The Company's Annual Financial Report, Report of the Directors and the Report of the Auditor for financial year ended 30 June 2016 have been despatched to those Shareholders who requested a copy, released on the ASX and is available on the Company's website ([www.investres.com.au](http://www.investres.com.au)).

The Company's Annual Financial Report is placed before the Shareholders for discussion. In accordance with the Corporations Act and the Company's corporate governance policies, Shareholders will be given a reasonable opportunity at the meeting to ask questions or make comments on Company matters.

The Company's auditor, Grant Thornton, will be present and will answer written questions submitted to the Company no later than five business days before the meeting. The auditor will also be available to answer questions from Shareholders relevant to the conduct of the audit, the preparation and content of the auditor's report, the accounting policies adopted by the Company in relation to the preparation of the financial statements and the independence of the auditor in relation to the conduct of the audit

No voting is required for this item.

### **1. Resolution 1 - Remuneration Report**

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#### ***Remuneration Report***

The Remuneration Report which details the remuneration of the Company's Directors, Company Secretary and senior executives is set out in the Investigator Resources Limited 2016 Financial Report, which may be viewed on the Company's website ([www.investres.com.au](http://www.investres.com.au)).

The Board has submitted its Remuneration Report to Shareholders for consideration and adoption by way of a non-binding Advisory Resolution. This resolution shall be determined as if it were an Ordinary Resolution, although under Section 250R(3) of the Corporations Act, the vote does not bind the Directors of the Company. However the Board will take the outcome of the vote into consideration when reviewing remuneration practices and policies.

#### ***Directors' Recommendation***

The voting exclusion statement for Resolution 1 is set out on page 1 of the Notice of Meeting. The Board unanimously recommends that Shareholders vote in favour of Resolution 1. A vote on this Resolution is advisory only and does not bind the Directors of the Company.

### **2. Resolution 2 - Re- election of Mr. David Jones**

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Clause 117 of the Company's Constitution and Listing Rule 14.4 requires that at each AGM, one-third of the Directors in office (excluding directors appointed to fill casual vacancies or a Managing Director) must stand for re-election, with Directors required to retire based upon length of tenure.

Mr. Jones retires in accordance with the Company's Constitution and Listing Rule 14.4 and, being eligible, offers himself for re-election as a Director.

Information about Mr. Jones is set out in the Investigator Resources Limited 2016 Financial Report which may be viewed on the Company's website ([www.investres.com.au](http://www.investres.com.au)).

#### ***Directors' Recommendation***

The Directors (with Mr. Jones abstaining) recommend that you vote in favour of this Ordinary Resolution.

### 3. Resolution 3 - Ratify the Issue of Shares under a Previous Placement

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#### **Background**

On 19 July 2016, the Company announced that it had received firm commitments from sophisticated and professional investors to undertake a placement of 114,893,617 Shares at an issue price of \$0.047 per Share to raise a total of \$5.4 million (**Previous Placement**).

Proceeds received from the Previous Placement were allocated primarily to the advancement of the 33Moz Paris silver Mineral Resource to Indicated status, drilling at the Paris silver deposit and drilling at the adjacent Nankivel copper gold target.

The Company issued 114,893,617 Shares to sophisticated and professional investors on 25 July 2016

The Company is seeking the approval of Shareholders to ratify the issues already made to sophisticated and professional investors under the Previous Placement pursuant to Resolution 3.

Under the Previous Placement, the Company has already issued 68,664,821 Shares in reliance on its capacity pursuant to Listing Rule 7.1 and a further 46,228,796 Shares in reliance on its capacity pursuant to Listing Rule 7.1A. In general terms, Listing Rule 7.1 restricts the Company to issuing securities representing a maximum of 15% of the number of securities on issue in the Company in any 12 month period unless it obtains the prior approval of its members. Listing Rule 7.1A restricts the Company to issuing securities representing an additional maximum of 10% of the number of securities on issue in the Company in any 12 month period unless it obtains the prior approval of its members.

The aggregate amount of securities already issued under the Previous Placement does not exceed the Company's capacity pursuant to Listing Rule 7.1 and 7.1A. At the time of the issue of such securities, the Company had the capacity to issue up to 69,343,194 securities pursuant to Listing Rule 7.1 and the capacity to issue up to 46,228,796 securities pursuant to Listing Rule 7.1A.

Accordingly, by Resolution 3, the Company seeks to obtain Shareholder approval for the purposes of Listing Rule 7.4 to ratify the issue of the above mentioned 114,893,617 Shares to sophisticated and professional investors as part of the Previous Placement.

#### **Listing Rules**

Listing Rule 7.1 prohibits a company, except in certain cases and subject to Listing Rules 7.1A and 7.4, from issuing new Equity Securities equivalent in number to more than 15% of its capital in any 12 month period without the prior approval of its shareholders. Listing Rule 7.1A prohibits a company, except in certain cases and subject to Listing Rules 7.1 and 7.4, from issuing new Equity Securities equivalent in number to more than an additional 10% of its capital in any 12 month period without the prior approval of its shareholders. Equity Securities issued with shareholder approval under Listing Rules 7.1, 7.1A or 7.4 do not count towards the 15% limit under Listing Rule 7.1 or the additional 10% limit under Listing Rule 7.1A.

Listing Rule 7.4 provides that an issue of Equity Securities made without prior approval under Listing Rule 7.1 and Listing Rule 7.1A can be treated as having been made with that approval if shareholders subsequently approve it and the issue did not breach Listing Rule 7.1 and or Listing Rule 7.1A.

If Resolution 3 is approved it will have the effect of refreshing the Company's ability, to the extent of the Previous Placement securities, to issue new Equity Securities equivalent in number up to 15% of its capital in any 12 month period without the prior approval of its Shareholders pursuant to Listing Rule 7.1 and will also have the effect of refreshing the Company's ability, to the extent of the Previous Placement securities, to issue new Equity Securities equivalent in number up to an additional 10% of its capital in any 12 month period without the prior approval of its Shareholders pursuant to Listing Rule 7.1A and without the need to obtain further Shareholder approval (subject to the Listing Rules and the Corporations Act). If Resolution 3 is not passed, the Previous Placement securities will be counted toward the 15% limit pursuant to Listing Rule 7.1 and the additional 10% limit pursuant to Listing Rule 7.1A for a period of 12 months from the date of issue.

For the purposes of Listing Rule 7.5, the Company provides the following information:

**a) Number of securities issued**

114,893,617 Shares were issued on 25 July 2015.

**b) Issue price of the securities issued**

The Previous Placement securities were issued at a price of \$0.047 per Share.



**c) Terms of the issued shares**

The Shares issued are fully paid ordinary shares and rank equally with other Shares on issue.

**d) Recipients of the issued shares**

The Previous Placement shares were issued to sophisticated and professional investors.

**e) Use of funds**

The funds raised from the issue of the Previous Placement shares will be used for the purposes set out in section 3 above.

**f) Voting exclusion statement**

A voting exclusion statement applies to this item of business, as set out in the Notice of Meeting.

***Recommendation***

The Directors recommend that you vote in favour of this Ordinary Resolution.

**4. Resolution 4 - Issue of Options to Mr John Alexander Anderson**

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**Introduction**

The Directors have adopted the policy of including in the Managing Director's remuneration package a long term incentive component in the form of share options having a value for accounting reporting requirements of \$80,000 per annum. Based on this policy the Directors have resolved to refer to Shareholders for approval the proposed grant of 3,415,000 Options to Mr John Alexander Anderson (**Anderson Options**) relating to the 2016-17 financial year currently in progress.

Approval for the issue of the Anderson Options is sought in accordance with the Listing Rule 10.11 and Part 2E of the Corporations Act. As approval is being sought under Listing Rule 10.11, approval will not be required under Listing Rule 7.1.

**Options Terms**

A summary of the terms of the Anderson Options is set out in the attached Appendix.

**Regulatory Requirements**

***Chapter 2E of the Corporations Act***

In order for the Anderson Options to be granted to a Director, the requirements of Chapter 2E of the Corporations Act need to be observed.

Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a Related Party of a public company unless the benefit falls within one of various exceptions to the general prohibition (including where shareholder approval is obtained).

The resolution, if passed, will confer financial benefits on Mr Anderson (being a Related Party of the Company because he is a Director) and the Company seeks to obtain Shareholder approval in accordance with the requirements of Chapter 2E of the *Corporations Act*. For this reason, and for all other purposes, the following information is provided to Shareholders.

**a) The related party to whom the resolution would permit the financial benefit to be given**

The proposed financial benefit will be given to Mr John Alexander Anderson (or his nominee) (**Mr Anderson**), who is a Related Party because he is a Director of the Company.

**b) The nature of the proposed financial benefit to be given**

The nature of the proposed financial benefit to be given is:

- i. the grant of 3,415,000 Options to Mr Anderson (or nominee);
- ii. the Options shall be granted for nil consideration;

- iii. the Options shall be exercisable into Shares on or before the expiry date.
- iv. the expiry date is the earlier of:
  - the date being three (3) years from the issue date unless earlier exercised;
  - the Business Day after the expiration of three (3) months, or any longer period which the Board may determine, after Mr Anderson ceases to be an executive director, contractor or employee of the Company or an associated body corporate of the Company; or
  - the date on which the Company terminates with cause any executive or service agreement with Mr Anderson.
- v. each Option will be exercisable at 125% of the Market Price of Shares on the Issue Date (**Exercise Price**).

**c) Directors' Recommendation:**

Mr Roger Marshall OBE, Mr David Jones and Mr Bruce Foy recommend that Shareholders vote in favour of this resolution. The reasons for their recommendation include:

- i. the grant of the Options as proposed to Mr Anderson will provide him with reward and incentive for future services he will provide to the Company to further the progress of the Company;
- ii. the Options are not intended as a substitute for salary or wages; and
- iii. in the Company's circumstances as they existed as at the date of this Explanatory Statement, Mr Marshall, Mr Jones and Mr Foy considered that the incentive provided a cost-effective and efficient incentive as opposed to alternative forms of incentives (e.g. cash bonuses, increased remuneration). However, it must be recognised that there will be an opportunity cost to the Company, being the price at which the Company could grant the Options to a third party.

As Mr Anderson is interested in the outcome of the resolution, he accordingly makes no recommendation to Shareholders in respect of this resolution.

**d) Directors' Interest and other remuneration:**

Mr Anderson has a material personal interest in the outcome of the resolution, as it is proposed that Anderson Options be granted to him (or his nominee).

Excluding the Anderson Options, Mr Anderson (and entities associated with him) holds 1,792,063 Shares, 512,019 listed options and 4,985,000 unlisted Options. Please refer to the table below which indicates the holdings of Mr Anderson (and entities associated with him).

Other than the Anderson Options to be issued to Mr Anderson, Mr Anderson shall receive total fixed remuneration of \$316,970 (inclusive of superannuation) per annum from the Company for his services as Managing Director.

**e) Valuation**

The Anderson Options will not be quoted on the ASX and as such have no market value. The Anderson Options grant the holder a right of grant of one Share upon exercise of the Options and payment of the exercise price of the Anderson Options described above. Accordingly, the Anderson Options may have a present value at the date of their grant.

The Anderson Options may acquire future value dependent upon the extent to which the Shares exceed the exercise price of the Anderson Options during the term of the Anderson Options.

As a general proposition, options to subscribe for ordinary fully paid shares in a company have a value. Various factors impact upon the value of options including:

- i. the period outstanding before the expiry date of the options;
- ii. the exercise price of the options relative to the underlying price or value of the securities into which they may be converted;
- iii. the proportion of the issued capital as expanded consequent upon exercise represented by the shares issued upon exercise (i.e. whether or not the shares that might be acquired upon exercise of the options represent a controlling or other significant interest);

- iv. the value of the shares into which the options may be converted; and
- v. whether the options are listed (ie readily capable of being liquidated).

There are various formulae which can be applied to determining the theoretical value of options (including the formula known as the Black-Scholes Model and the Binomial Model).

The Company has commissioned an independent valuation of the Anderson Options, for the purposes of disclosing to Shareholders such information required to decide whether or not it is in the Company's interest to pass Resolution 4 and disclosing expenses in the Company's Financial Statements in accordance with AASB 2 Share Based Payments, using the Black-Scholes Model and the Binomial Model, which are the most widely used and recognised model for pricing options. The value of an option calculated by both the Black-Scholes Model and the Binomial Model is a function of the relationship between a number of variables, being the price of the underlying Share at the time of issue, the exercise price, the time to expiry, the risk-free interest rate, the volatility of the Company's underlying Share price and expected dividends.

Inherent in the application of the Black-Scholes Model and the Binomial Model are a number of inputs, some of which must be assumed. The data relied upon in applying the Black-Scholes Model and the Binomial Model was:

- i. the exercise price of the Options being 125% of the Market Price of shares in the Company as at the Issue Date;
- ii. a market price of Shares of \$0.037
- iii. expiry date of 3 years from the Issue Date for the Options.
- iv. a volatility measure of 111.071%;
- v. a risk-free interest rate of 1.61% on the options proposed to be issued to Mr Anderson; and
- vi. a dividend yield of nil.

Some relatively minor variables were included in the calculation to estimate the value of Anderson Options as "American style" options (being exercisable at any time prior to the stated expiry date).

Based on the independent valuation of the Options, the Company agrees that the value of the Options to be issued pursuant to this resolution is \$80,106

**f) Any other information that is reasonably required by Shareholders to make a decision and that is known to the Company or any of its Directors**

There is no other information known to the Company or any of its Directors save and except as follows:

***Market Price movements:***

The Anderson Option valuation noted above is based on a market price per Share of \$0.037

There is a possibility that the market price of the Shares will change up to the date of the Meeting.

***Opportunity Costs:***

The opportunity cost and benefit foregone by the Company issuing the Anderson Options to the Director is the potentially diluting impact on the issued Share capital of the Company (in the event that the Anderson Options are exercised). Until exercised, the issue of the Anderson Options will not impact upon the number of Shares on issue in the Company. To the extent that upon their exercise the dilutionary impact caused by the issue of the Shares may be detrimental to the Company, if at all, this is more than offset by the advantages accruing from the Company securing the services of experienced and skilled directors on appropriate incentive terms.

It is also considered that the potential increase of value in the Anderson Options is dependent upon a concomitant increase in the value of the Company generally.

***Taxation Consequences:***

No stamp duty will be payable in respect of the grant of the Anderson Options. No GST will be payable by the Company in respect of the grant of the Anderson Options (or if it is then it will be recoverable as an input credit).

AASB 2 “Share Based Payments” requires that these payments shall be measured at the more readily determinable fair value of the equity instrument. Under the accounting standards this amount will be expensed in the statement of comprehensive income. Where the grant date and the vesting date are different, the total expenditure calculated will be allocated between the two dates taking into account the terms and conditions attached to the instruments and the counterparties as well as management’s assumptions about probabilities of payments and compliance with and attainment of the set out terms and conditions.

***Dilutionary Effect:***

If all of the Anderson Options granted and Options previously granted are exercised by Mr Anderson (or his nominee), then the effect on his holdings in the Company, assuming that all of the Options granted are exercised and that:

- a) no other Options currently on issue in the Company are or have been exercised; and
- b) no further Equity Securities are issued or acquired.

will be as follows:

Director	Current Holdings	% of Total Share Capital (580,591,577 Shares on issue)	Share Holding Upon Exercise of existing Options	% of Total Share Capital upon exercise of existing Options	Share Holding Upon Exercise of existing Options and new Anderson Options	% of Total increased Share Capital (587,588,596 Shares on issue)
Mr John Anderson	1,792,063 Shares  512,019 Listed options  4,985,000 Unlisted Options	0.31%	7,289,082	1.24%	10,704,082	1.82%

***Trading History:***

Details of the Company’s trading history of the previous 12 months are as follows:

- (a) the lowest share price during the 12 months prior to the date of issue of this notice was \$0.01 on 31 October 2015.
- (b) the highest share price during the 12 months prior to the date of issue of this notice was \$0.064 on 14 July 2016.
- (c) the closing price on 14 October 2016, four trading days prior to the date of issue of this notice was \$0.04; and
- (d) the 30 day VWAP on 14 October 2016, four trading days prior to the date of issue of this notice was \$0.0375

***Listing Rule 10.11***

Listing Rule 10.11 requires an entity to obtain the approval of shareholders for an issue of Equity Securities to a Related Party. Mr Anderson, being a Director of the Company, is a Related Party of the Company. Accordingly, because the issue of the Anderson Options will result in the Company issuing Equity Securities to a Related Party, approval under Listing Rule 10.11 is required.

For the purposes of Listing Rule 10.13, the Company advises as follows:

- The maximum number of Anderson Options to be issued to Mr Anderson is 3,415,000 Options;

- The Anderson Options are intended to be granted as soon as possible following the Shareholder approval at this AGM, but in any event, within one (1) month of the date of this AGM;
- The Anderson Options are being issued for nil consideration; and
- No funds are being raised by the grant of the Anderson Options.

In accordance with Listing Rule 7.2, as approval is being sought under Listing Rule 10.11, approval is not required to be obtained under Listing Rule 7.1.

### ***Voting Exclusion Statement***

There are restrictions on Mr Anderson and his associates and members of the Key Management Personnel and their Closely Related Parties voting on Resolution 4, details of which are set out in the Voting Restriction Statement included in Resolution 4 of the Notice of Meeting.

Shareholders should be aware that any undirected proxies given to the Chair will be cast by the Chair and counted in favour of the Resolutions the subject of this Meeting, including Resolution 4 subject to compliance with the Corporations Act. Save as set out in this Explanatory Statement, the Directors are not aware of any other information that will be reasonably required by Shareholders to make a decision in relation to benefits contemplated by this Resolution.

## **5. Resolution 5: Approval to issue an additional 10% of the issued capital of the Company over a 12 month period pursuant to Listing Rule 7.1A**

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### **Introduction**

Pursuant to Resolution 5, the Company is seeking shareholder approval to issue an additional 10% of issued capital over a 12 month period pursuant to Listing Rule 7.1A. If passed, this resolution will allow the Company to allot and issue up to the number of new Equity Securities calculated in accordance with Listing Rule 7.1A.2 (**Placement Securities**) each at an issue price of at least 75% of the volume weighted average price (**VWAP**) for the Company's Equity Securities in that class (calculated over the last 15 days on which trades in the Equity Securities are recorded immediately before the date on which the price at which the Placement Securities are to be issued is agreed, or if the Placement Securities are not issued within 5 trading days of that date, the date on which the Placement Securities are issued) (**Issue Price**).

This approval is sought pursuant to Listing Rule 7.1A. Under Listing Rule 7.1A small and mid-cap listed entities that meet the eligibility threshold and have obtained the approval of their ordinary shareholders by Special Resolution at the AGM, are permitted to issue an additional 10% of issued capital over a 12 month period from the date of the annual general meeting (**Additional 10% Placement**). The Additional 10% Placement under Listing Rule 7.1A is in addition to the ability of the Company to issue 15% of its issued capital without shareholder approval over a 12 month period pursuant to Listing Rule 7.1. The Company may issue the Placement Securities to raise funds for the Company and for non-cash consideration (further details of which are set out below). Funds raised from the issue of Placement Securities, if undertaken, would be applied to progress the objectives of Company including the funding of exploration activities, working capital, acquisitions and the payment of any costs of the issue of the Placement Securities.

### **Directors' Recommendation**

The Directors of the Company unanimously recommend that Shareholders vote in favour of Resolution 5.

### **Listing Rule 7.1A**

#### **a) General**

##### **i. Eligibility**

An entity is eligible to undertake an Additional 10% Placement if at the time of its annual general meeting it has a market capitalisation of \$300 million or less and it is not included in the S&P/ASX300 Index.

For illustrative purposes only, on 14 October 2016 the Company's market capitalisation was \$23.2 million based on the Closing Trading Price on 14 October 2016. The calculation of market

capitalisation will be based on the Closing Price of the Shares, on the last Trading Day on which trades in the Shares were recorded before the date of the AGM, multiplied by the number of Shares on issue (excluding restricted securities and securities quoted on a deferred settlement basis).

The Company is also not included in the S&P/ASX300 Index as at the time of this AGM, however, it should be noted that the S&P/ASX300 Index is rebalanced twice a year in March and September.

The Company is therefore an Eligible Entity and able to undertake an Additional 10% Placement under Listing Rule 7.1A.

In the event that the Company for any reason ceases to be an Eligible Entity after the Company has already obtained Shareholders' approval pursuant to this Resolution 5, the approval obtained will not lapse and the Company will still be entitled to issue the Placement Securities.

**ii. Special Resolution**

Listing Rule 7.1A requires this Resolution 5 to be passed as a Special Resolution, which means that it must be passed by at least 75% of the votes cast by members entitled to vote on the resolution. Pursuant to Listing Rule 7.1A, no Placement Securities will be issued until and unless this Special Resolution is passed at the Meeting.

**iii. Shareholder approval**

The ability to issue the Placement Securities is conditional upon the Company obtaining Shareholder approval by way of a Special Resolution at the Meeting.

**b) 10% Placement Period – Listing Rule 7.1A.1**

Assuming Resolution 5 is passed, Shareholder approval of the Additional 10% Placement under Listing Rule 7.1A is valid from the date of the AGM and expires on the earlier to occur of:

- i. the date that is 12 months after the date of the AGM; or
- ii. the date of the approval by Shareholders of a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

or such longer period if allowed by ASX.

If approval is given for the issue of the Placement Securities then the approval will expire, on 22 November 2017, unless Shareholder approval is granted pursuant to Listing Rules 11.1.2 or 11.2 prior to that date.

**c) Calculation for Additional 10% Placement – Listing Rule 7.1A.2**

Listing Rule 7.1A.2 provides that Eligible Entities which have obtained Shareholder approval at an annual general meeting may issue or agree to issue, during the 12 month period after the date of the AGM, a number of Equity Securities calculated in accordance with the following formula:

$$(A \times D) - E$$

**A** is the number of ordinary securities on issue 12 months before the date of issue or agreement:

- i. plus the number of fully paid ordinary securities issued in the 12 months under an exception in Listing Rule 7.2;
- ii. plus the number of partly paid ordinary securities that became fully paid in the 12 months;
- iii. plus the number of fully paid ordinary securities issued in the 12 months with approval of holders of ordinary securities under Listing Rules 7.1 or 7.4. [Note: This does not include an issue of fully paid ordinary securities under the entity's 15% placement capacity without Shareholder approval];
- iv. less the number of fully paid ordinary securities cancelled in the 12 months.

**D** is 10 percent.

**E** is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of shareholders under Listing Rules 7.1 or 7.4.

**d) Listing Rule 7.1A.3**

**i. Equity Securities**

Any Equity Securities issued under the Additional 10% Placement must be in the same class as an existing quoted class of Equity Securities of the Company.

As at the date of this Notice of Meeting, the only classes of Equity Securities in the Company quoted on the ASX are 'Ordinary Shares (ORD)' and listed options. The Company presently has 580,591,577 Shares and 114,179,704 listed options on issue as at the date of this Notice of Meeting.

**ii. Minimum Issue Price**

The issue price for the Placement Securities issued under Listing Rule 7.1A must be not less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 Trading Days immediately before:

- the date on which the price at which the relevant Placement Securities are to be issued is agreed; or
- if the relevant Placement Securities are not issued within 5 Trading Days of the date in paragraph (A) above, the date on which the relevant Placement Securities are issued.

**e) Information to be given to ASX – Listing Rule 7.1A.4**

If Resolution 5 is passed and the Company issues any Placement Securities under Listing Rule 7.1A, the Company will give to ASX:

- i. a list of allottees of the Placement Securities and the number of Placement Securities allotted to each (this list will not be released to the market); and
- ii. the following information required by rule 3.10.5A, which will be released to the market on the date of issue:
  - details of the dilution to the existing holders of Equity Securities caused by the issue;
  - where the Equity Securities are issued for cash consideration, a statement of the reasons why the Company issued the Equity Securities as a placement under rule 7.1A and not as (or in addition to) a pro rata issue or other type of issue in which existing Shareholders would have been eligible to participate;
  - details of any underwriting arrangements, including any fees payable to the underwriter; and
  - any other fees or costs incurred in connection with the issue.

**f) Listing Rule 7.1 and 7.1A**

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% Placement Capacity under Listing Rule 7.1.

At the date of this Notice, the Company has on issue 580,591,577 Shares. Assuming Resolution 5 is passed, the Company will have the capacity to issue 145,147,894 Equity Securities on the date of the Meeting.

The actual number of Equity Securities that the Company will have the capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (as described above).

**Specific Information required by Listing Rule 7.3A**

**a) Minimum Price of securities issued under Listing Rule 7.1A – Listing Rule 7.3A.1**

Pursuant to and in accordance with Listing Rule 7.1A.3, the Placement Securities issued pursuant to approval under Listing Rule 7.1A must have an issue price of not less than 75% of the VWAP for the Equity Securities over the 15 Trading Days immediately before:

- i. the date on which the price at which the Placement Securities are to be issued is agreed; or
- ii. if the Placement Securities are not issued within 5 Trading Days of the date in paragraph (1) above, the date on which the Placement Securities are issued.

The Company will disclose to the ASX the issue price on the date of issue of the Placement Securities.

**b) Risk of economic and voting dilution – Listing Rule 7.3A.2**

As provided by Listing Rule 7.3A.2, if Resolution 5 is passed and the Company issues the Placement Securities, there is a risk of economic and voting dilution to the existing Shareholders. The Company currently has on issue 580,591,577 Shares. Providing Resolution 5 is passed, the Company could issue 145,147,894 Shares and listed Options on the date of the Meeting (however, it is important to note that the exact number of Equity Securities which may be issued will be calculated in accordance with the formula contained in Listing Rule 7.1A.2 details of which are set out above). Any issue of Placement Securities will have a dilutive effect on existing Shareholders.

There is a specific risk that:

- i. the Market Price for the Company's Equity Securities may be significantly lower on the date of the issue of any Placement Securities than it is on the date of the Meeting; and
- ii. the Placement Securities may be issued at a price that is at a discount to the Market Price for the Company's Equity Securities on the issue date,

which may have an effect on the amount of funds raised by the issue or the value of the Placement Securities.

As required by Listing Rule 7.3A.2, Table 1 below shows the potential economic and voting dilution effect, in circumstances where the issued capital has doubled and the Market Price of the Shares has halved. Table 1 also shows additional scenarios in which the number of issued Shares has increased and the Market Price of the Shares has decreased.

**Table 1**

Issued Share Capital	50% decrease in Market Price \$0.0200		Current Market Price \$0.040		100% increase in Market Price \$0.080	
	10 % Voting Dilution	Capital Raised	10 % Voting Dilution	Capital Raised	10 % Voting Dilution	Capital Raised
<b>Present Issued Share Capital =</b> 580,591,577 Shares	58,059,158 Shares	\$1,161,183	58,059,158 Shares	\$2,322,366	58,059,158 Shares	\$4,644,733
<b>50% Increase in Share Capital =</b> 870,887,366 Shares	87,088,737 Shares	\$1,741,775	87,088,737 Shares	\$3,483,549	87,088,737 Shares	\$6,967,099
<b>100% Increase in Share Capital =</b> 1,161,183,154 Shares	116,118,315 Shares	\$2,322,366	116,118,315 Shares	\$4,644,733	116,118,315 Shares	\$9,289,465

***Assumptions and explanations***

- The Market Price is \$0.040 based on the closing price of the Shares on ASX on 14 October 2016.
- The above table only shows the dilutionary effect based on the issue of the Placement Securities and not any Shares issued under the 15% under Listing Rule 7.1.
- The 10% voting dilution reflects the aggregate dilution against the issued share capital at the time of issue.
- The Company issues the maximum number of Placement Securities.



- The Issued Share Capital has been calculated in accordance with the formula in Listing Rule 7.1A(2) as at 14 October 2016 and assuming all resolutions affecting share capital presented to the Annual General Meeting are passed.
- The issue price of the Placement Securities used in the table is the same as the Market Price and does not take into account the discount to the Market Price (if any).

**c) Final date for issue – Listing Rule 7.3A.3**

As required by Listing Rule 7.3A.3, the Company will only issue and allot the Placement Securities during the 12 month period after the date of this Meeting which will end on 21 November 2017. The approval under Resolution 5 for the issue of the Placement Securities will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities of the Company) or Listing Rule 11.2 (the disposal of the main undertaking of the Company) before the anniversary of the AGM.

**d) Purpose – Listing Rule 7.3A.4**

As noted above, the purpose for which the Placement Securities may be issued include to raise funds for the Company and for non-cash consideration (further details of which are set out below). Any funds raised from the issue of Placement Securities, if undertaken, would be applied to progress the objectives of Company including the funding of exploration activities, working capital, acquisitions and the payment of any costs of the issue of the Placement Securities.

**e) Shares Issued for Non-cash consideration – Listing Rule 7.3A.4**

The Company may issue Placement Securities for non-cash consideration, such as the acquisition of new assets or investments or the payment of expenses of the Company. If the Company issues Placement Securities for non-cash consideration, the Company will release to the market a valuation of the non-cash consideration that demonstrates that the issue price of the Placement Securities complies with Listing Rule 7.1A.3.

**f) Company's Allocation Policy – Listing Rule 7.3A.5**

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue of the Placement Securities. The identity of the allottees of Placement Securities will be determined on a case-by-case basis having regard to a number of factors including but not limited to the following:

- i. the methods of raising funds that are available to the Company, including but not limited to, rights issue or other issue in which existing Shareholders can participate;
- ii. the effect of the issue of the Placement Securities on the control of the Company;
- iii. the financial situation and solvency of the Company; and
- iv. advice from corporate, financial and broking advisers (if applicable).

The allottees of the Placement Securities have not been determined as at the date of this Notice but may include existing substantial shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company.

Further, if the Company is successful in acquiring new assets or investments for which Placement Securities are issued as consideration, it is likely that the allottees of some of the Placement Securities will be the vendors of the new assets or investments.

**g) Details of all equity securities issued where shareholder approval under listing rule 7.1A previously obtained – Listing Rule 7.3A.6**

The Company has previously obtained Shareholder approval under Listing Rule 7.1A at the Annual General Meeting held on 24 November 2015.

As the Company has previously obtained Shareholder approval under Listing Rule 7.1A, the following information is provided to Shareholders, in accordance with Listing Rule 7.3A.6, regarding the Equity Securities issued in the previous 12 months preceding the date of the AGM (that is, since 24 November 2015).

Listing Rule 7.3A.6(a): Total equity securities issued in previous 12 months

Number of equity securities on issue at commencement of 12 month period	462,287,960 Shares 114,179,704 Listed Options 21,505,000 Unlisted Options <hr/> <u>597,972,664 Equity Securities (Total)</u>
Equity securities issued in prior 12 month period	118,303,617 Ordinary Shares
Percentage previous issues represent of total number of equity securities on issue at commencement of 12 month period	19.78%

Listing Rule 7.3A.6(b): Details of equity securities issued in previous 12 months:

(1)

Date of issue:	25 July 2016
Number issued	114,893,617 Ordinary Shares
Type of equity security:	Ordinary Shares
Summary of terms:	Placement to professional and sophisticated investors at \$0.047 per share
Names of persons who received securities or basis on which those persons was determined	Professional and sophisticated investors
Price at which equity securities were issued:	\$0.047 per Share
Consideration received	\$5,400,000
Use of cash	Proceeds to be used to primarily fund the upgrade of the Paris resource and to accelerate development to move from explorer to producer

(2)

Date of issue:	04 August 2016
Number issued	965,000
Type of equity security:	Ordinary Shares
Summary of terms:	Issue of Shares upon exercise of employee options.
Names of persons who received securities or basis on which those persons was determined	Mr David Hopton
Price at which equity securities were issued:	\$0.017 per Share
Consideration received	\$16,405
Use of cash	Proceeds to be used to primarily fund the upgrade of the Paris resource and to accelerate development to move from explorer to producer.

(3)

Date of issue:	9 August 2016
Number issued	2,445,000 Ordinary Shares
Type of equity security:	Ordinary Shares and Options
Summary of terms:	Issue of Shares upon exercise of employee options.
Names of persons who received securities or basis on which those persons was determined	Mr Richard Hill
Price at which equity securities were issued:	\$0.017 per Share
Consideration received	\$39,120
Use of cash	Proceeds to be used to primarily fund the upgrade of the Paris resource and to accelerate development to move from explorer to producer.

### ***Voting Exclusion Statement***

A voting exclusion statement is included in the Notice of Meeting. At the date of the Notice of Meeting, the proposed allottees of any Placement Securities are not as yet known or identified. In these circumstances (and in accordance with the note set out in Listing Rule 14.11.1 relating to Listing Rules 7.1 and 7.1A), for a person's vote to be excluded, it must be known that that person will participate in the proposed issue. Where it is not known who will participate in the proposed issue (as is the case in respect of the Placement Securities), Shareholders must consider the proposal on the basis that they may or may not get a benefit and that it is possible that their holding will be diluted and there is no reason to exclude their votes.

## Information for Shareholders

### Shareholders who are entitled to vote

The Company has determined that for the purpose of voting at the meeting, shares will be taken to be held by those members recorded in the Company's Register of Members as at 7.00 pm (Brisbane time) on Sunday 20 November 2016.

### Proxy Votes

A member entitled to attend and vote at the meeting may appoint a proxy. The person appointed as a proxy may be an individual or a body corporate. If entitled to cast two or more votes, the member may appoint one or two proxies.

Where two proxies are appointed, each proxy may be appointed to represent a specific proportion of the member's voting rights. If the proportion is not specified, each proxy may exercise half of the member's voting rights. Fractional votes will be disregarded. Please read carefully the instructions on the Proxy Form and consider how you wish to direct the proxy to vote on your behalf. You may direct the proxy to vote "for", "against" or "abstain" from voting on each resolution or you may leave the decision to the appointed proxy after discussion at the meeting.

A proxy need not be a member of the Company.

The Proxy Form must be signed by the member or the member's attorney. Proxies given by corporations must be signed in accordance with the corporation's constituent documents, or as authorised by the Corporations Act.

To be valid, the Proxy Form must be lodged at least 48 hours before the time for holding the meeting by one of the following methods:

- (a) by mail or in person at the registered office of the Company  
Investigator Resources Limited  
PO Box 3235,  
Norwood SA 5067;
- (b) by facsimile to the Company on  
08 7221 3318; or
- (c) by email to  
[info@investres.com.au](mailto:info@investres.com.au)

If the Proxy Form is executed under a power of attorney that has not been noted by the Company, the power of attorney must accompany the Proxy Form

In the case of joint shareholders, the names of all joint shareholders should be shown and all joint shareholders should sign the Proxy Form.

## 6. Interpretation

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The following terms used in the Notice of Meeting and the Explanatory Memorandum are defined as follows:

**15% Placement Capacity** has the meaning given to that term in Resolution 5 of the Explanatory Memorandum.

**AGM** means annual general meeting;

**ASIC** means the Australian Securities & Investments Commission;

**ASX** means the ASX Limited;

**Business Day** means a day on which all banks are open for business generally in Brisbane;

**Chair** means the person chairing the Meeting;

**Closely Related Party** (as defined in the Corporations Act) of a member of the Key Management Personnel for an entity means:

- a) a spouse or child of the member; or
- b) a child of the member's spouse; or
- c) a dependant of the member or the member's spouse; or
- d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealings with the entity; or
- e) a company the member controls; or
- f) a person prescribed by the regulations for the purposes of the definition of closely related party;

**Company** means Investigator Resources Limited ACN 115 338 979 (ASX: IVR);

**Constitution** means the constitution of the Company from time to time;

**Corporations Act** means the *Corporations Act 2001* (Cth);

**Directors** mean the board of Directors of the Company as at the date of the Notice of Meeting being Roger Marshall, David Jones, Bruce Foy and John Anderson;

**Eligible Entity** has the meaning given to that term in the Listing Rules;

**Equity Securities** has the meaning given to that term in the Listing Rules;

**Explanatory Memorandum** means the explanatory statement accompanying this Notice;

**Issue Date** means the date of the Meeting or within one (1) month thereafter;

**Key Management Personnel** or **KMP** has the definition given in the Accounting Standard AASB 124 *Related Party Disclosure* as 'those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly and indirectly, including any director (whether executive or otherwise) of that entity';

**Listing Rules** means the official listing rules of the ASX as amended from time to time;

**Market Price** has the meaning given to that term in the Listing Rules; and

**Meeting** means the Annual General Meeting to be held on 22 November 2016 as convened by the accompanying Notice of Meeting;

**Notice of Meeting** or **Notice** means the notice of meeting giving notice to shareholders of the Meeting, accompanying this Explanatory Memorandum;

**Options** means options over fully paid ordinary Shares;

**Ordinary Resolution** means a resolution passed by more than 50% of the votes at a general meeting of shareholders;

**Related Party** has the meaning in section 228 of the Corporations Act;

**Remuneration Report** means the section of the Directors' Report in the 2016 Financial Report dealing with the remuneration of the Company's Directors, Company Secretary and senior executives described as 'Remuneration Report'.

**Resolutions** means the resolutions set out in the Notice of Meeting;

**Securities** has the meaning given to that term in the Listing Rules;

**Shares** means fully paid ordinary shares in the Company from time to time;

**Shareholder** means a shareholder of the Company;

**Special Resolution** means a resolution:

- a) of which notice has been given as set out in paragraph 249L(1)(c) of the Corporations Act; and
- b) that has been passed by at least 75% of the votes cast by members entitled to vote on the resolution.

**Trading Day** has the meaning given to that term in the Listing Rules.

## Appendix

### Anderson Option Terms Summary

A summary of the terms of the Options is as follows:

- a) Each Option will be exercisable at 125% of the Market Price of Shares on the Issue Date per Option (**Exercise Price**);
- b) The Options will be exercisable on or before three (3) years from the Issue Date by delivering a duly completed form of notice of exercise together with a cheque for the Exercise Price to the Company at any time prior to the expiry date;
- c) Each option shall be issued for free.
- d) The Options will not be listed on the ASX;
- e) The Options will expire (**Expiry Date**) on the earlier of:
  - i. the date being three (3) years from the Issue Date unless earlier exercised;
  - ii. the Business Day after the expiration of three (3) months, or any longer period which the Board may determine, after Mr Anderson ceases to be an executive director, contractor or employee of the Company or an associated body corporate of the Company; or
  - iii. the date on which the Company terminates with cause any executive or service agreement with Mr Anderson.
- f) The Options will not be transferable in whole or in part and may not be exercised by any other person (except, in the case of the Option holder's death, by his or her legal personal representative);
- g) The Options may be exercised at any time wholly or in part by delivering a duly completed form of notice of exercise together with a cheque for the Exercise Price per Option to the Company at any time on or after the date of issue of the Options and on or before the Expiry Date;
- h) The number of Options that may be exercised at one time must be not less than 20,000;
- i) Upon the valid exercise of the Options and payment of the Exercise Price, the Company will issue fully paid ordinary shares ranking pari passu with the then issued ordinary shares;
- j) The Option holder does not participate in any dividends unless the Options are exercised and the resultant shares of the Company are issued prior to the record date to determine entitlements to the dividend;
- k) The Option holder does not have any right to participate in new issues of securities in the Company made to Shareholders generally. The Company will, where required pursuant to the Listing Rules, provide the Option holder with notice prior to the books record date (to determine entitlements to any new issue of securities made to shareholders generally) to exercise the Options, in accordance with the requirements of the Listing Rules;
- l) In the event of any reconstruction (including consolidation, subdivision, reduction or return) of the issued capital of the Company:
  - i. The number of Options, the Exercise Price of the Options, or both will be reconstructed (as appropriate) in a manner consistent with the Listing Rules as applicable at the time of reconstruction, but with the intention that such reconstruction will not result in any benefits being conferred on the holders of the Options which are not conferred on shareholders; and
  - ii. Subject to the provisions with respect to rounding of entitlements as sanctioned by a meeting of shareholders approving a reconstruction of capital, in all other respects the terms for the exercise of the Options will remain unchanged;

- m) If there is a pro rata issue (except a bonus issue), the Exercise Price of an Option may be reduced according to the following formula:

$$O^n = \frac{O - E [P - (S + D)]}{N + 1}$$

Where:

- $O^n$  = the new exercise price of the Option;
- $O$  = the old exercise price of the Option;
- $E$  = the number of underlying securities into which one Option is exercisable;
- $P$  = the average market price per security (weighted by reference to volume) of the underlying securities during the 5 trading days ending on the day before the ex right date or the ex entitlements date;
- $S$  = the subscription price for a security under the pro rata issue;
- $D$  = dividend due but not yet paid on the existing underlying securities (except those to be issued under the pro rata issue);
- $N$  = the number of securities with rights or entitlements that must be held to receive a right to one new security.
- n) If there is a bonus issue to the holders of shares in the Company, the number of shares over which the Option is exercisable may be increased by the number of shares which the Option holder would have received if the Option had been exercised before the record date for the bonus issue; and
- o) The terms of the Options shall only be changed if holders (whose votes are not to be disregarded) of ordinary shares in the Company approve of such a change. However, the terms of the Options shall not be changed to reduce the Exercise Price, increase the number of Options or change any period for exercise of the Options.

## Proxy Form

Address 1  
Address 2  
Address 3  
Address 4  
Address 5 Post code

Holder Number

### STEP 1: APPOINTMENT OF PROXY

I/We being Shareholder(s) of Investigator Resources Limited (Company) hereby appoint as my proxy for the Annual General Meeting of the Company to be held at 2.00 pm (ACDT) on 22 November 2016 at Grant Thornton, Level 1, 67 Greenhill Road, Wayville, SA 5034 and any postponement or adjournment thereof:

the Chairman of the Meeting **OR**  
(mark with an "X")

Write here the name of the person you are appointing if this person is someone other than the Chairman of the Meeting

The Chairman of the Meeting is appointed as proxy if you do not appoint another person to act as your proxy.

**Chairman authorised to exercise undirected proxies on remuneration related resolutions:** If I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman of the Meeting becomes my/our proxy by default) I/we expressly authorise the Chairman of the Meeting to exercise my/our proxy on Resolutions 1 and 4 (except where I/we have indicated a different voting intention below) even though Resolutions 1 and 4 is connected directly or indirectly with the remuneration of a member of key management personnel (which includes the Chairman).

**The Chairman of the Meeting intends to vote undirected proxies in favour of all items of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention for any resolution, in which case an ASX announcement will be made.** If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on the Resolutions by marking the box in step 2 below.

If you do not direct your Proxy how to vote, the Proxy may cast your vote as the Proxy thinks fit or may abstain from voting. If you do **not** want the Proxy to vote in this way, you should direct your vote in accordance with Step 2 below.

If two proxies are appointed, the proportion of voting rights this proxy is authorised to exercise is .....%. (An additional proxy form will be supplied by the Company on request). If you wish to appoint the proxy to exercise voting power over only some of your Shares, the number of Shares in respect of which this proxy is to operate is ..... Shares (Note: proxy will be over all Shares if left blank).

### STEP 2: VOTING DIRECTIONS

I/we direct my/our proxy to vote as indicated below:

Resolution	For	Against	Abstain
1. Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Re-election of Mr David Jones as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Ratify the Issue of Shares under Previous Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Issue of Options to Mr. John Alexander Anderson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Approval to issue an additional 10% of the issued capital of the Company over a 12 month period pursuant to Listing Rule 7.1A	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Sole Director and Secretary  
(if appointed)

Director

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date



## How to Complete this Proxy Form

### 1 Your Name and Address

This is your name and address as it appears on the company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

### 2 Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the appropriate box in Step 1. If the person you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the name of that person in Step 1. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a shareholder of the company. A proxy may be an individual or a body corporate.

### 3 Votes on Items of Business

You should direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

### 4 Appointment of a Second Proxy

You are entitled to appoint up to two persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the company or you may copy this form.

To appoint a second proxy you must:

- (a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- (b) Return both forms together.

### 5 Signing Instructions

You must sign this form as follows in the spaces provided:

- Individual:** where the holding is in one name, the holder must sign.
- Joint Holding:** where the holding is in more than one name, all of the security holders should sign.
- Power of Attorney:** To sign under Power of Attorney, you must have already lodged the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.
- Companies:** Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

### 6 Lodgement of a Proxy

This Proxy Form (and any Power of Attorney under which it is signed) must be received by 2.00 pm (ACDT) on 20 November 2016, being not later than 48 hours before the commencement of the meeting (or otherwise by such later time and date being not less than 48 hours before the date of any postponed or adjourned meeting). Any Proxy Form received after that time will not be valid for the scheduled meeting.