INVESTIGATOR RESOURCES LIMITED

ABN 90 115 338 979

ANNUAL FINANCIAL REPORT

for the year ended 30 June 2013

INVESTIGATOR RESOURCES LIMITED
DIRECTORS' REPORT

The Directors of Investigator Resources Limited (the Company) present their report for the year to 30 June 2013.

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, MAusIMM, FAIM, FAICD
Chairman

Roger has been the Non-Executive Chairman of Investigator Resources since December 2006. He has over 40 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) Macarthur Coal Limited (Deputy Chairman from July 2001 - October 2011) and OGL Resources Limited (2012 – 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 Brisbane-based geologist and exploration manager of 38 years' experience, John initiated the Company's strategy and development of its Eyre and Yorke Peninsula ground.

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 base metal / gold mining centres including Kalgoorlie, Broken Hill, McArthur River, Mount Isa / Ernest Henry and the Gawler Craton. His experience includes managing exploration for a year at the Drake epithermal silver field in New South Wales and extensive visits to epithermal gold deposits in Queensland, Chile and Argentina.

John also led teams in the discoveries of the Angas zinc resource, the major portion of the Menninnie Dam zinc deposit, the White Dam gold deposit and several mineral sands deposits in the Murray Basin, South Australia/Victoria/NSW. 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.

Bruce Edward Foy
B.Com .LL.B

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 State Water Corporation, a Non-Executive Director of The Doctor's Health Fund Pty Limited, an independent director of the Financial Planning Association of Australia Limited and Chairman of SMSF Owners' Alliance. He was previously Chairman of Transgrid Corporation (2011), 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.

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 is currently Principal of consulting firm Vidoro Pty Limited and has prepared 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 Garry Gill. Garry has been Chief Financial Officer and Company Secretary for Investigator Resources since June 2007. He has more than 30 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 and unlisted public companies, private companies and statutory authorities.

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
R. Marshall (Chairman)	2,403,670	-
J. A. Anderson (Managing Director)	1,280,044	4,485,000
B. E. Foy (Non-Executive Director)	2,286,670	-
D. G. Jones (Non-Executive Director)	526,908	-

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 $1,224,851 (2012: $3,338,284 loss) for the year ended 30 June 2013.

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 establishing an initial resource estimation for its Paris silver project and delineating and testing its competitive deposits of silver, gold and copper in its Eyre Peninsula and Yorke Peninsula properties with the aim of becoming a silver, gold and copper developer through exploration and acquisition.

Operations - Exploration

The major exploration activity for the year was directed at advancing the Paris project towards the maiden resource estimate expected by the end of September 2013. This work involved:

- Conducting the resource drilling phase which was completed in late July 2013 with a total of 129 diamond drill holes covering 17,777m.
- Significantly advancing the understanding of the highly complex geological framework.
- Commencing initial technical studies including metallurgy, petrology and flora & fauna baseline studies.

While Paris was the key focus for the year, work was also progressed on the Company's other prospects in both the Eyre and Yorke Peninsulas including:

- Completing the soil sampling programme on the remainder of the Peterlumbo tenement programmes which identified and defined :
    - The 2.4km by 0.4km Alexander silver-in-soil target (2km west of Paris) where drilling commenced late July 2013.
    - The very large (potentially 7km by 5km) Hector silver-in-soil target (15km east of Paris) and
    - A covered and conceptual Peterlumbo porphyry copper target interpreted at the centre of the Peterlumbo field
- Advancing exploration work at the Regional Eyre Peninsula tenements which have prospective epithermal geology similar to Paris. This work included the discovery of large high-amplitude silver-in-soil targets at the Uno and Morgans tenements approximately 85km east of the Paris Silver Project.
- Identifying high priority magnetic and targets with iron oxide-copper-gold potential at Roundabout and Spyall in the covered and poorly explored extensions to the historic Moonta copper field

Financial Position

Exploration expenditure for the year was $9,877,052, of which $7.6 million was directed to the Paris project. Net administration expenses and employee benefits for the year totalled approximately $2 million. At 30 June 2013 the Company had total cash and cash equivalents of $7,921,620 and receivables of $661,391.

To fund the operations for the year, the Company completed the $15 million equity raising programme which commenced in May 2012. The programme featured a $6.4 million private placement completed in early June 2012 and a 1:6 non renounceable rights issue to raise a further $8.6 million which was received in early July 2012.

Outlook and Future Developments

Goals for the exploration programme for the 2014 financial year will involve:

- Completing drilling and a maiden resource estimate for the Paris silver deposit and initial technical studies as part of a scoping study at the Paris Silver Project

- Drilling at the Alexander Prospect, the Hector silver-in-soil target and the Peterlumbo Porphyry Copper target as well as preparing other satellite targets within the Peterlumbo field for first-pass drilling.
- Continuing the in-fill soil sampling programme at the Company's other Eyre Peninsula tenements to generate new silver targets in prospective fields and to prepare newly identified targets for first-pass drilling,
- Conduct further gravity detailing of the Roundabout iron oxide-copper-gold target and other targets in the Yorke Peninsula tenements.

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.

At the Annual General Meeting held on 21 November 2011, Shareholders voted in favour of a resolution to require Directors to acquire 50,000 shares in the Company each year with the acquisition to be paid in lieu of an increase in Directors' fees.

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. During the 2011 financial year, the Company engaged external independent professional advisors to review the Managing Director's remuneration arrangements. The consultant's report and recommendations were addressed to the Chairman and were reviewed and accepted by the full Board. The recommended remuneration package was as follows:

- Base salary of $250,000 per annum (subject to annual review). In the 2013 financial year the base salary was $262,500.
- Superannuation entitlement at 15% of the base salary
- Annual short term incentives of up to $80,000 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.

Company Secretary

The Company has entered into an agreement with Garry Gill and his company to provide services as Company Secretarial 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, IVR 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 are issued in accordance with the Company's Employee Share Option Plan approved by shareholders at the 2012 Annual General Meeting.

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	Share Based Payments - Options	Total	Performance based remuneration %
	Fees and/or Salary	Cash, Profit Sharing / Other Bonuses	Super - annuation			
	$	$	$	$	$	
2013						
R. Marshall1	60,862	-	24,500	-	85,362	-
J. A. Anderson	262,500	80,000	39,375	76,501	458,376	34.1%
D. G. Jones1	63,362	-	-	-	63,362	-
B. E. Foy1	58,362	-	5,000	-	63,362	-
G. C. Gill	120,000	-	-	-	120,000	-
C. P. Skidmore2	200,000	-	18,000	19,948	237,948	8.4%
A. R. T. Thin3	71,014	-	9,199	20,055	100,268	20.0%
Totals	**836,100**	**80,000**	**96,074**	**116,504**	**1,128,678**	17.4%

Key Management Personnel	Short-term Benefits Fees and/or Salary	Cash, Profit Sharing / Other Bonuses	Post Employment Benefits Super - annuation	Share Based Payments - Options	Total	Performance based remuneration %
	$	$	$	$	$	
2012						
R. Marshall1	78,060	-	7,000	-	85,060	-
J. A. Anderson	250,000	106,000	37,500	220,500	614,000	53.2%
D. G. Jones1	58,477	-	4,583	-	63,060	-
B. E. Foy1	58,060	-	5,000	-	63,060	-
G. C. Gill	120,000	-	-	21,172	141,172	15.0%
Totals	**564,597**	**106,000**	**54,083**	**241,672**	**966,352**	36.0%

1. Fees for each non-executive Director for the 2013 financial year includes $8,362 (2012: $8,060) paid to acquire 50,000 IVR shares on market in accordance with a resolution passed at the AGM on 21 November 2011.
2. C.P. Skidmore (Project Manager - Paris Project) was included as a Key Management Personnel from 1 July 2012
3. A.R.T. Thin (Commercial Manager) commenced employment on 18 February 2013.

Details of options over unissued shares issued as part of the Key Management Personnel remuneration during the financial year were as follows:

	J.A. Anderson	C. P. Skidmore	A. R. T. Thin
Number	905,000	475,000	490,000
Grant Date	27-Nov-12	20-Feb-13	18-Feb-13
Value at Grant Date	$76,501	$19,948	$20,055
Number Vested	905,000	475,000	490,000
Exercise Price (cents per option)	$0.20	$0.157	$0.163
Expiry Date	26-Nov-15	20-Feb-16	18-Feb-16
% age of Remuneration Represented by Options	16.7%	8.4%	20.0%

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/Committee Member was:

Director	2013	
	Eligible to Attend	Attended
R. Marshall	9	9
J. A. Anderson	9	9
D. G. Jones	9	9
B. E. Foy	9	9

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

Other than as set out in this report and the attached financial statements, no other matters or circumstances have arisen since 30 June 2013, 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.

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 of $23,538 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 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 7,105,000 unissued ordinary shares under option (4,445,000 at 30 June 2012). No options have been exercised during the financial year or 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 2013:

	2013 $	2012 $
Taxation compliance services	8,900	5,920

Signed in accordance with a resolution of the Directors.

R Marshall OBE
Chairman
Brisbane
20 August 2013

J A Anderson
Managing Director

Grant Thornton

Grant Thornton Audit Pty Ltd
ACN 130 913 594

Level 18
King George Central
145 Ann Street
Brisbane QLD 4000
GPO Box 1008
Brisbane QLD 4001

T + 61 7 3222 0200
F + 61 7 3222 0444
E info.qld@au.gt.com
W www.grantthornton.com.au

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 2013, 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

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

Cameron Smith

C D J Smith
Partner - Audit & Assurance

Brisbane, 20 August 2013

INVESTIGATOR RESOURCES LIMITED
CORPORATE GOVERNANCE STATEMENT

The Board of Directors of Investigator Resources Limited is responsible for the corporate governance of the Company. The Board guides and monitors the business and affairs of the Company on behalf of the shareholders by whom they are elected and to whom they are accountable.

The Board is committed to achieving and demonstrating the highest standards of corporate governance which are consistent with the current size and stage of development of the Company.

Compliance with ASX corporate governance guidelines and best practice recommendations

The Australian Securities Exchange Corporate Governance Council has issued the *Corporate Governance Principles and Recommendations 2nd Edition with 2010 Amendments* ('Guidelines') applying to listed entities.

The Board has assessed the Company's current practice against the Guidelines and except where disclosed below, the best practice recommendations of the ASX Corporate Governance Council have been applied. This statement incorporates the disclosures required by the ASX Principles under the headings of the eight core principles.

Further information on the Company's corporate governance policies and practices can be found on the website at www.investres.com.au.

Principle 1 – Lay Solid Foundations for Management and Oversight

The Board of Directors is responsible for the corporate governance of the Company and operates in accordance with the principles set out in its Board Charter which is available in the corporate governance section of Investigator Resources' website. The Charter establishes the responsibilities reserved to the Board which include:

- Setting the overall strategy for the Company.
- Appointing and where appropriate removing the Managing Director and the Company Secretary.
- Monitoring and assessing management's performance in achieving any strategies and budgets approved by the Board.
- Setting the criteria for, and evaluating at least annually, the performance of the Managing Director.
- Supervising the Company's framework of control and accountability systems to enable risk to be assessed and managed.
- Monitoring the financial performance of the Company.
- Monitoring and ensuring compliance with all of the Company's legal obligations, in particular those obligations relating to the environment, native title, cultural heritage and occupational health and safety.
- Approving the Company's budgets, including operational and capital budgets.
- Approving significant acquisitions, expenditures and divestments.
- Approving the annual and half yearly financial statements.
- Ensuring the market and shareholders are fully informed of material developments in relation to the affairs of the Company.

The responsibility for the operation and administration of the Company is delegated by the Board to the Managing Director (MD). The Board ensures that the MD is appropriately qualified and experienced to discharge his responsibilities and has in place procedures to monitor performance. The Board reviews the performance of the MD on an annual basis and is putting in place a set of key performance indicators which are being established with reference to the Company's strategy and the MD's individual responsibilities. The MD is responsible for the review and monitoring of the performance of senior executives.

Principle 2 – Structure the Board to Add Value

The names of the members of the Board as at the date of this report are as follows:

- Mr Roger Marshall OBE (Chairman) – Non Executive Director
- Mr John Anderson – Managing Director
- Mr Bruce Foy - Non Executive Director
- Mr David Jones - Non Executive Director

When determining whether a non-executive Director is independent the Director must not fail any of the following materiality thresholds:

- less than 5% of company shares are held by the Director and any entity or individual directly or indirectly associated with the Director;
- no sales are made to or purchases made from any entity or individual directly or indirectly associated with the Director; and
- none of the Directors' income or the income of an individual or entity directly or indirectly associated with the Director is derived from a contract with any member of the economic entity other than income derived as a Director of the entity.

The Board have considered the position of the Directors and consider that all non-executive Directors are "independent" as defined by the Guidelines. The Board believes that the level of skill and experience possessed by individual Directors is appropriate for the company's size and complexity. Directors have considerable Board experience and bring an independent mind to all dealings with the Company. Thus shareholders can be confident that Board decisions will be made with a high level of independence.

Role of the Chairman

The Board Charter provides that the Chairman should be an independent director and should not hold the role of Chief Executive Officer.

The Chairman is responsible for leadership of the Board, for the efficient organisation and conduct of the Board's function, for the briefing of all directors in relation to issues arising at Board meetings and for shareholder communication.

Committees

The Board considers that the Company is not currently of a size, nor are its affairs of such complexity, to justify the establishment of separate board committees. All matters which might otherwise be delegated to committees are dealt with by the full Board.

Performance Evaluation

Due to the size and makeup of the Board, Directors considered that there is significant feedback provided by Board members on the performance of the Board. Accordingly no performance evaluation was performed during the 2013 financial year.

Independent Professional Advice and Access to Information

Each Director has the right of access to all relevant information in the Company in addition to access to the Company's executives. Each Director also has the right to seek independent professional advice subject to prior consultation with, and approval from, the chairman. This advice will be provided at the Company's expense and will be made available to all members of the Board.

Insurance

The Company has in place a Directors and Officers liability insurance policy providing a specified level of cover for current and former Directors and executive Officers of the Company against liabilities incurred whilst acting in their respective capacity.

Principle 3: Promote ethical and responsible decision-making

Code of Conduct

The Company recognises the importance of establishing and maintaining high ethical standards and decision making in conducting its business and is committed to increasing shareholder value in conjunction with fulfilling its responsibilities as a good corporate citizen. All Directors, managers and employees are expected to act with the utmost integrity, honesty and objectivity, striving at all times to enhance the reputation and performance of the Company.

The Company has established a Code of Conduct and a Directors and Officers Code of Conduct, copies of which are available on Investigator Resources' website under the corporate governance section. New employees are introduced to the Code of Conduct as part of their induction training. Employees sign a declaration confirming receipt of the Code of Conduct and their compliance with it. Periodic training is then provided throughout the course of their employment.

Unethical practices, including fraud, legal and regulatory breaches, and policy breaches are required to be reported on a timely basis to management. Reporting parties are able to do so without fear of reprisal or retribution as their identity and report are kept in the strictest confidence.

Share Trading Policy

The Company has established a share trading policy which governs the trading in the Company's shares and applies to all Directors and employees of the Company. The policy is available in the Corporate Governance section of the Investigator Resources' website.

Under the share trading policy, an executive, employee or director must not trade in any securities of the Company at any time when they are in possession of unpublished, price sensitive information in relation to those securities.

No acquisitions or sales of Company securities may be made during closed periods i.e. the time from the end of a quarter until 24 hours following the release of the quarterly cash flow report nor prior to any anticipated announcement to the ASX nor for a 24 hour period after the announcement. Trading of securities outside the trading windows can only occur in exceptional circumstances and with the approval of the Chairman or Company Secretary.

As required by the ASX listing rules, the Company notifies the ASX of any transaction in the securities of the Company conducted by Directors.

Diversity Policy

The Company recognises that a diverse workforce, senior management and Board can enhance business performance and productivity and has implemented a diversity policy in support of these aims. The Company is committed to promoting an environment which is conducive to the appointment and development of well qualified employees, senior management and Board candidates and to the extent that it is consistent with the current size, nature and complexity of the organisation, to embracing diversity when determining the composition of employees, senior management and the Board. While embracing the concept of diversity, the Board is of the view that at this time, it is inappropriate to establish measurable diversity objectives or targets and to tie diversity objectives to the Key Performance Indicators for the Board, CEO and senior executives.

Principle 4: Safeguard integrity in financial reporting

Certification of Financial Reports

The Managing Director and Chief Financial Officer state in writing to the Board each reporting period that the Company's financial reports present a true and fair view, in all material respects, of the Company's financial condition and operational results and are in accordance with relevant accounting standards.

Auditor independence

The external auditor, Grant Thornton, has declared its independence to the Board through the provision of its Auditor's Independence Declaration to the Board, which states that there have been no contraventions of auditor independence requirements as set out in the Corporations Act or any auditors' professional code.

Principle 5: Make timely and balanced disclosure

Investigator Resources has established policies and procedures to ensure timely and balanced disclosure of all material matters concerning the Company, and to ensure that all investors have access to information on the Company's financial and operational performance. This ensures that the Company is compliant with the information disclosure requirements under the ASX Listing Rules.

These policies and procedures include a comprehensive Disclosure Policy that includes identification of matters that may have a material impact on the price of Investigator Resources securities, notifying them to the ASX, posting relevant information on the Company's website and issuing media releases.

The policy is available in the Corporate Governance section of the Investigator Resources' website

Principle 6: Respect the rights of shareholders

Investigator Resources Limited has established a Shareholder Communication Policy which describes the Company's approach to promoting effective communication with shareholders which includes:

- The annual report, including relevant information about the operations of the Company during the year, key financial information, changes in the state of affairs and indications of future developments. The annual report can be accessed either through the ASX website or Annual Reports section of the Company's website.
- The half year and full year financial results are announced to the ASX and are available to shareholders via the Investigator Resources and ASX websites.
- All announcements made to the market and related information (including presentations to investors and information provided to analysts or the media during briefings), are made available to all shareholders under the investor information section of Investigator Resources' website after they have been released to the ASX.
- Detailed notices of shareholder meetings are sent to all shareholders in advance of the meeting.
- Shareholding details are available through the Company's share register, Computershare Investor Services Pty Ltd.

The Board encourages full participation by shareholders at the Annual General Meeting to ensure a high level of Director accountability to shareholders and shareholder identification with the Company's strategy and goals. Important issues are presented to the shareholders as single resolutions. Shareholders are requested to vote on matters such as the adoption of the Company's remuneration report, the granting of options and shares to Directors and changes to the Constitution.

The external auditor attends the Annual General Meeting to answer any questions concerning the audit of the Company and the contents of the auditor's report.

Principle 7: Recognise and manage risk

Risk Management Framework

Investigator Resources Limited recognises that the identification and management of risk is central to the Company's strategy of delivering value to shareholders through its exploration and development activities.

The Company has developed a Risk Management Policy which sets out a framework for a system of risk management and internal compliance and control, whereby the Board delegates day-to-day management of risk to the Managing Director. The Managing Director, with the assistance of senior management as required, has the responsibility for identifying, assessing, treating and monitoring risks and reporting to the Board on risk management.

Corporate Reporting

The Board has required management to design and implement a risk management and internal control system to manage the Company's material business risks and to report on whether those risks are being effectively managed.

The Managing Director and Chief Financial Officer have reported and declared in writing to the Board as to the effectiveness of the Company's management of its material business risks, in accordance with Recommendation 7.2 of the ASX Corporate Governance Principles.

The Board has received the relevant declarations from the Managing Director and Chief Financial Officer in accordance with s295A of the *Corporations Act 2001* and the relevant assurances required under Recommendation 7.3 of the ASX Corporate Governance Principles.

Principle 8: Remunerate fairly and responsibly

The 'Remuneration Report' section of the Directors' Report sets out the structure of remuneration of non-executive directors and of executives. The Report also details the nature and amount of each element of the remuneration of each non-executive Director and executive.

The Board assesses the appropriateness of the nature and amount of remuneration by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality Board and management team.

The current non-executive directors' fee pool is $300,000 (inclusive of statutory superannuation).

Shareholders will be asked to adopt, as a non-binding vote, the Remuneration Report as contained in the Directors' Report for the financial year ended 30 June 2013.

INVESTIGATOR RESOURCES LIMITED
CORPORATE GOVERNANCE CHECKLIST

Checklist of Corporate Governance Principles and Recommendations

The table below contains each of the ASX Best Practice Recommendations. Where the company has complied with a recommendation during the reporting period, this is indicated with a "Yes" in the appropriate column. Where the company considered it was not appropriate to comply with a particular recommendation, this is indicated with a "No" and the company's reasons are set out in the corresponding note appearing at the end of the table.

No	Description	Comply	Note
1	**Lay solid foundations for management and oversight**		
1.1	Formalise and disclose the functions reserved to the Board and those delegated to management.	Yes	
1.2	Companies should disclose the process for evaluating the performance of senior executives	Yes	
1.3	Provide the information indicated in the Guide to reporting on Principle 1.	Yes	
2	**Structure the Board to add value**		
2.1	A majority of the Board should be independent directors.	Yes	
2.2	The Chairperson should be an independent director.	Yes	
2.3	The roles of Chairperson and Managing Director should not be exercised by the same individual.	Yes	
2.4	The Board should establish a Nomination Committee.	No	1
2.5	Disclose the process for evaluating the performance of the board, its committees and individual directors.	Yes	
2.6	Provide the information indicated in the Guide to reporting on Principle 2.	Yes	
3	**Promote ethical and responsible decision making**		
3.1	Establish a code of conduct and disclose the code or a summary of the code.	Yes	
3.2	Establish a policy concerning diversity and disclose the policy or a summary of that policy.	Yes	
3.3	Disclose in each annual report the measurable objectives for achieving gender diversity set by the Board in accordance with the diversity policy and progress towards achieving them.	No	2
3.4	Disclose in each annual report the proportion of women employees in the whole organisation, women in senior executive positions and women on the Board.	No	2
3.5	Provide the information indicated in the Guide to reporting on Principle 3.	Yes	

No	Description	Comply	Note
4	**Safeguard integrity in financial reporting**		
4.1	The Board should establish an Audit Committee.	No	1
4.2	Structure the Audit Committee so that it consists of: • only Non-Executive Directors. • a majority of Independent Directors. • an independent Chairperson, who is not chairperson of the Board. • at least three members.	n/a	
4.3	The Audit Committee should have a formal charter.	n/a	
4.4	Provide the information indicated in the Guide to reporting on Principle 4.	n/a	
5	**Make timely and balanced disclosure**		
5.1	Establish written policies and procedures designed to ensure compliance with ASX Listing Rule disclosure requirements to ensure accountability at a senior management level for that compliance.	Yes	
5.2	Provide the information indicated in the Guide to reporting on Principle 5.	Yes	
6	**Respect the rights of shareholders**		
6.1	Design a communications policy for promoting effective communication with shareholders, and encouraging their participation at general meetings and disclose their policy or a summary of that policy.	Yes	
6.2	Provide the information indicated in the Guide to reporting on Principle 6.	Yes	
7	**Recognise and manage risk**		
7.1	The Board or appropriate Board Committee should establish policies on risk oversight and management.	Yes	
7.2	The Board has required management to design and implement a risk management and internal control system to manage the entity's material business risks and report to it on whether those risks are being managed effectively and management has reported to the board as to effectiveness of the entity's management of its material business risks.	Yes	
7.3	The Managing Director (or equivalent) and the Chief Financial Officer (or equivalent) should state to the Board in writing that: • the statement given in accordance with best practice recommendation 4.1 (the integrity of financial statements) is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board,	Yes	

No	Description	Comply	Note
	• the Company's risk management and internal compliance and control system is operating efficiently and effectively in all material respects.		
7.4	Provide the information indicated in the Guide to reporting on Principle 7.	Yes	
8	**Remunerate fairly and responsibly**		
8.1	The Board should establish a Remuneration Committee	No	1
8.2	The Remuneration Committee should be structured so that it: • consists of a majority of independent directors • is chaired by an independent chair • has at least three members	n/a	
8.3	Provide the information indicated in the Guide to reporting on Principle 8.	n/a	

Notes:

1. The Board considers that the Company is not currently of a size, nor are its affairs of such complexity, to justify the establishment of separate board committees. All matters which might otherwise be delegated to committees are dealt with by the full Board.
2. While embracing the concept of diversity, the Board is of the view that at this time, it is inappropriate to establish measurable diversity objectives or targets and to tie diversity objectives to the Key Performance Indicators for the Board, CEO and senior executives.

INVESTIGATOR RESOURCES LIMITED

ABN 90 115 338 979

STATEMENT OF COMPREHENSIVE INCOME
for the year ended 30 June 2013

	Note	Consolidated 2013 $	Consolidated 2012 $
Other Income	2	740,662	476,862
Less expenses:			
Administrative expenses	3	(1,118,058)	(1,248,535)
Employee benefit expenses	3	(816,645)	(609,751)
Exploration and evaluation expenses written off	11	(30,810)	(1,956,860)
Loss before income tax expense		**(1,224,851)**	**(3,338,284)**
Income tax expense	4	-	-
Loss attributable to members of the company		**(1,224,851)**	**(3,338,284)**
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year attributable to the members of the company		**(1,224,851)**	**(3,338,284)**
Basic and diluted earnings per share (cents per share)	5	(0.37)	(1.45)

The accompanying notes form part of these financial statements

INVESTIGATOR RESOURCES LIMITED

ABN 90 115 338 979

STATEMENT OF FINANCIAL POSITION
as at 30 June 2013

	Note	Consolidated 2013 $	Consolidated 2012 $
CURRENT ASSETS			
Cash and cash equivalents	6	7,921,620	11,004,057
Trade and other receivables	7	661,391	164,505
Inventories	8	1,234	-
Total Current Assets		**8,584,245**	**11,168,562**
NON CURRENT ASSETS			
Other financial assets	9	54,427	55,413
Plant and equipment	10	644,774	534,515
Exploration and evaluation assets	11	20,932,184	11,085,942
Total Non Current Assets		**21,631,385**	**11,675,870**
TOTAL ASSETS		**30,215,630**	**22,844,432**
CURRENT LIABILITIES			
Trade and other payables	12	1,455,254	1,239,760
Employee benefit provisions	13	157,070	90,430
Total Current Liabilities		**1,612,324**	**1,330,190**
TOTAL LIABILITIES		**1,612,324**	**1,330,190**
NET ASSETS		**28,603,306**	**21,514,242**
EQUITY			
Contributed equity	14	40,309,316	32,183,052
Share option reserve	15	593,000	405,349
Accumulated losses		(12,299,010)	(11,074,159)
TOTAL EQUITY		**28,603,306**	**21,514,242**

The accompanying notes form part of these financial statements

INVESTIGATOR RESOURCES LIMITED

ABN 90 115 338 979

STATEMENT OF CHANGES IN EQUITY
for the year ended 30 June 2013

Consolidated

	Note	Share Capital $	Accumulated Losses $	Share Option Reserve $	Total $
2012					
Balance at 30 June 2011		18,518,411	(7,735,875)	89,880	10,872,416
Loss attributable to members of the company		-	(3,338,284)	-	(3,338,284)
Shares issued during the period		14,678,517	-	-	14,678,517
Share issue costs		(1,021,676)	-	-	(1,021,676)
Expired option costs reclassified to share capital		7,800	-	(7,800)	-
Options issued to employees		-	-	81,597	81,597
Options issued to key management personnel		-	-	241,672	241,672
Balance at 30 June 2012		**32,183,052**	**(11,074,159)**	**405,349**	**21,514,242**
2013					
Loss attributable to members of the company		-	(1,224,851)	-	(1,224,851)
Shares issued during the period		8,631,359	-	-	8,631,359
Share issue costs		(505,095)	-	-	(505,095)
Expired option costs reclassified to share capital		-	-	-	-
Options issued to employees		-	-	71,148	71,148
Options issued to key management personnel		-	-	116,503	116,503
Balance at 30 June 2013		**40,309,316**	**(12,299,010)**	**593,000**	**28,603,306**

The accompanying notes form part of these financial statements

INVESTIGATOR RESOURCES LIMITED

ABN 90 115 338 979

STATEMENT OF CASH FLOWS

for the year ended 30 June 2013

	Note	Consolidated 2013 $	2012 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Interest received		354,070	179,129
Research and development refund		320,376	297,734
Payments to suppliers and employees		(1,129,955)	(1,571,639)
Net cash provided by (used in) operating activities	17	**(455,509)**	**(1,094,776)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Exploration expenditure		(10,296,176)	(2,720,421)
Purchase of property plant and equipment		(387,212)	(570,679)
Net cash provided by (used in) investing activities		**(10,683,389)**	**(3,291,100)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		8,631,359	14,678,517
Costs associated with share issue		(574,898)	(951,872)
Net cash provided by (used in) financing activities		**8,056,461**	**13,726,645**
Net increase (decrease) in cash held		(3,082,437)	9,340,769
Cash at beginning of year		11,004,057	1,663,288
Cash at end of year	6	**7,921,620**	**11,004,057**

The accompanying notes form part of these financial statements

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.

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 consistencies 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.

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 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.

1. Statement of Significant Accounting Policies (continued)

(b) Income Tax (continued)

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.

(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 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.

1. Statement of Significant Accounting Policies (continued)

(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.

(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 Comprehensive Income. Transaction costs related to instruments classified as at fair value through profit or loss are expensed through the Statement of Comprehensive Income immediately. Financial instruments are classified and measured as set out below.

1. Statement of Significant Accounting Policies (continued)

(i) Financial Instruments (continued)

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 Comprehensive Income.

Financial assets at fair value through profit and 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 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 Comprehensive Income.

1. Statement of Significant Accounting Policies (continued)

(j) Interests in Joint Ventures

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.

(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 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.

1. Statement of Significant Accounting Policies (continued)

(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) New Accounting Standards for Application in Future Periods

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 July 2013, and have not been applied in preparing these consolidated financial statements. Details of these new standards are set out at Note 28. None of these is expected to have a significant effect on the consolidated financial statements of the Company,

(s) 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 judgements in applying the accounting policies. Critical judgements 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.

	Consolidated 2013 $	Consolidated 2012 $

2. Other Income

Operating activities:

	2013 $	2012 $
Interest received and receivable from other persons	420,286	179,129
Research and development refund	320,376	297,733
	740,662	**476,862**

3. Expenses from Continuing Operations

Employee benefit expenses

	2013 $	2012 $
Benefits provided to employees	1,996,978	989,253
Charged to exploration and evaluation projects	(1,367,984)	(702,771)
Employee options expense	187,651	323,269
Total employee benefits expense	**816,645**	**609,751**

Administrative expenses:

	2013 $	2012 $
Audit fees	40,745	29,608
Other services paid to auditor	8,900	5,920
Company secretarial fees	120,000	120,000
Depreciation	276,953	91,029
Directors fees (non-executives)	212,085	211,180
Insurance and legal	58,651	43,257
Minimum lease rental payments	89,234	87,033
Office expenses	484,664	424,232
Recruitment and training	5,736	102,317
Shareholder communications	121,588	133,959
Expenditure allocated to exploration and evaluation projects	(300,498)	-
Total administrative expenses	**1,118,058**	**1,248,535**

4. Income Tax

(a) The components of income tax expense comprise

	2013 $	2012 $
Current tax	-	-
Deferred tax	-	-
	-	-

	Consolidated 2013 $	Consolidated 2012 $
4. Income Tax (continued)		
(b) The prima facie tax on loss from ordinary activities before income tax is reconciled to the income tax as follows:		
Net profit/(loss)	(1,224,851)	(3,338,284)
Prima facie tax benefit on profit/(loss) from ordinary activities before income tax at 30%	(367,455)	(1,001,485)
Add/(less) tax effect of:		
Permanent differences	63,180	97,792
Timing differences:		
Deductible capital raising costs	(114,705)	(84,399)
Allowable exploration and evaluation expenditure	(2,959,322)	(1,110,323)
Prior period exploration and evaluation expenses written off	5,449	575,765
Net non allowable expenses	21,342	8,613
	(3,351,510)	(1,514,037)
Tax effect of temporary differences and tax losses not brought to account as they do not meet the recognition criteria	(3,351,510)	(1,514,037)
(c) Unused tax losses and temporary differences for which no deferred tax asset has been recognised at 30%	(9,886,145)	(6,514,635)

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	**334,474,309**	**230,006,636**

Options are considered potential ordinary shares. While the average market price of ordinary shares during the year ended 30 June 2013 exceeded the exercise price of the options, 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) and 16(b).

	Consolidated 2013 $	Consolidated 2012 $
6. Cash and Cash Equivalents		
Cash at bank and on hand	**7,921,620**	11,004,057

	Consolidated 2013 $	2012 $
7. Trade and Other Receivables		
Other receivables	**661,391**	164,505

Other receivables include $415,175 representing Joint Venture partner contributions (exclusive of GST) received after year end but due and receivable at 30 June 2013. The Company's policy is to recognise Joint Venture partner contributions only on receipt. Where JV contributions relating to a period are received after the end of that period but prior to the date of the report, they are treated as a receivable as at the end of that period. At the date of this report Joint Venture partner contributions due and receivable but not recognised were $1,420,922 (exclusive of GST) (2012: nil)

	2013 $	2012 $
8. Inventories		
Diesel fuel	**1,234**	-
9. Other Financial Assets		
Non current		
Deposits and bonds	**54,427**	**55,414**
10. Plant and Equipment		
Plant and equipment at cost	1,376,846	989,933
Accumulated depreciation	(732,072)	(455,418)
Balance	**644,774**	**534,515**
Movements in property plant and equipment:		
Opening written down value	534,515	54,670
Additions	387,212	570,679
Disposals	(299)	-
Depreciation expense	(276,953)	(90,834)
Depreciation expense written back on disposal	299	-
Closing written down value of plant and equipment	**644,774**	**534,515**
11. Exploration and Evaluation Asset		
Exploration and evaluation expenditure carried forward in respect of areas of interest are:		
Exploration and evaluation phase - at cost	20,932,184	11,085,942
Movement in exploration and evaluation asset:		
Opening balance - at cost	11,085,942	9,304,083
Capitalised exploration expenditure	9,877,052	3,738,719
Written off from discontinued areas of interest	(30,810)	(1,956,860)
Carrying amount at the end of the period	**20,932,184**	**11,085,942**

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.

	Consolidated 2013 $	2012 $
12. Trade and Other Payables		
Current unsecured:		
Trade payables	1,390,901	1,162,880
Sundry payables and accrued expenses	64,353	76,880
Total payables (unsecured)	1,455,254	1,239,760

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.

	2013 $	2012 $
13 Employee Benefit Provisions (Current)		
Annual Leave	157,070	90,430
14. Contributed Equity		
(a) Fully paid ordinary shares	**40,309,316**	**32,183,052**

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.

	2013 $	2012 $
Balance at the beginning of the reporting period	**32,183,052**	**18,518,411**
Shares issued in prior period	**-**	14,678,516
Shares issued during the period:		
Issued for $0.18 each pursuant to 1:6 rights issue	8,631,359	-
Total shares issued during the financial year	40,814,411	33,196,927
Less share issue costs	(505,095)	(1,021,676)
Expired option costs reclassified to share capital	-	7,800
Balance at reporting date	**40,309,316**	**32,183,052**

14. Contributed Equity (continued)

(a) Fully paid ordinary shares (continued)

	Consolidated 2013 No.	Consolidated 2012 No.
Number at the beginning of the reporting period	**287,704,698**	**176,706,077**
Shares issued in prior period	-	110,998,621
Shares issued during the period:		
Issued at $0.18 each pursuant to 1:6 rights issue	47,951,989	-
Balance at reporting date	**335,656,687**	**287,704,698**

(b) Options

	Consolidated 2013 No.	Consolidated 2012 No.
Balance at the beginning of the reporting period	4,445,000	1,530,000
Options issued to Key Management Personnel during the period	1,870,000	2,450,000
Options issued to Employees during the period	940,000	565,000
Employee options lapsed during the period	(150,000)	(100,000)
Balance at reporting date	**7,105,000**	**4,445,000**

The Company issued 905,000 options to the Managing Director on 27 November 2012 pursuant to a resolution of shareholders at the Company's Annual General Meeting held on that date. The options are fully vested, unlisted, have an exercise price of 20.0 cents and may be exercised at any time prior to 26 November 2015.

Options were also issued to two other Key Management Personnel (965,000) and various employees (940,000) 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 below.

The fair value of all options issued during the year was $187,651 (2012: $323,269) and was determined using the Black Scholes model (refer Note 16 (b) for further information).

Details of options on issue at 30 June 2013 are set out below. All options are unlisted and fully vested.

14. Contributed Equity (continued)

(b) Options (continued)

	Issue Date	Exercise Price	Expiry Date	No
Managing Director options	23-Nov-10	$0.103	23-Nov-13	1,330,000
Managing Director options	21-Nov-11	$0.185	20-Nov-14	2,250,000
Employee options	22-Nov-11	$0.185	22-Nov-14	250,000
Employee options issued to Company Secretary	22-Nov-11	$0.185	22-Nov-14	200,000
Employee options	21-Feb-12	$0.377	20-Feb-15	100,000
Employee options	19-Mar-12	$0.422	18-Mar-15	60,000
Employee options	21-May-12	$0.311	20-May-15	105,000
Employee options	7-Aug-12	$0.232	6-Aug-15	130,000
Employee options	28-Aug-12	$0.213	27-Aug-15	105,000
Managing Director options	27-Nov-12	$0.200	26-Nov-15	905,000
Employee options	17-Sep-12	$0.236	17-Sep-15	150,000
Employee options issued to KMP	18-Feb-13	$0.163	18-Feb-16	490,000
Employee options issued to KMP	20-Feb-13	$0.157	20-Feb-16	475,000
Employee options	13-Mar-13	$0.137	13-Mar-16	250,000
Employee options	21-May-13	$0.133	21-May-16	305,000
				7,105,000

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.

16. Share Based Payments

a) Shares

Pursuant to a resolution of shareholders passed at the Annual General Meeting on 21 November 2011, Directors are required to acquire 50,000 shares in the Company each year with the acquisition to be paid in lieu of increases in Directors' fees. The shares were acquired on market at a price of $0.166 each. The cost of acquiring the shares including brokerage is included in the total of Directors fees disclosed at Note 3.

b) Options

During the year unlisted fully vested options were issued to Key Management (including the Managing Director) and employees. Details of the options issued are set out at Note 14 above.

The fair value of the options of $187,651 was determined using the Black Scholes option pricing model using the following inputs:

Issue date	7 Aug 2012	28 Aug 2012	27 Nov 2012	17 Sep 2012	18 Feb 2013	20 Feb 2013	13 Mar 2013	21 May 2013
Share price	$0.185	$0.170	$0.165	$0.180	$0.110	$0.110	$0.115	$0.110
Exercise price	$0.232	$0.213	$0.200	$0.236	$0.163	$0.157	$0.137	$0.133
Volatility %	122.18	122.18	84.92	96.00	69.86	69.86	69.73	73.13
Risk free rate %	2.78	2.62	2.74	2.810	2.875	2.880	2.97	2.57
Days to expiry	1,095	1,095	1,095	1,095	1,096	1,096	1,096	1,096
Fair value of options $	16,567	12,285	76,501	15,013	20,055	19,948	12,397	14,884

17. Cash Flow Information

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

	Consolidated 2013 $	Consolidated 2012 $
Loss from ordinary activities after income tax	(1,224,851)	(3,338,284)
Non-cash flows in profit from ordinary activities:		
Depreciation	276,953	91,029
Employee provisions	66,640	28,711
Employee options expense	187,651	323,269
Exploration expenditure written off	30,810	1,956,860
Changes in operating assets and liabilities:		
(Increase)/Decrease in receivables	(81,711)	-
(Increase)/Decrease in inventory	(1,234)	-
(Decrease)/Increase in creditors and accruals	290,233	(156,361)
Cash flows from operations	**(455,509)**	**(1,094,776)**

18. Interests in Joint Ventures

The consolidated entity had interests in unincorporated joint venture operations at 30 June 2013 as follows:

	Percentage Interest 2013	Percentage Interest 2012
(a) Peterlumbo Joint Venture – Silver Gold exploration.	75%	75%
(b) Kimba Joint Venture – Copper, Gold, Silver and Uranium exploration (farm in).	51%	51%
(c) Pandanus West – Subsequent to year end the Company completed the disposal of its interest in the tenements that were the subject of the farm in agreement.	60%	60%
(d) Yalanda Hill - Copper Gold Silver and Uranium exploration.	60%	60%

19. Controlled Entities

Interests in controlled entities are as follows:

Name	Principal Activity	Country of Incorporation	Share	Ownership Interest		Carrying Amount of Investment	
				2013	2012	2013	2012
Sunthe Uranium Pty Ltd	Mineral exploration	Australia	Ordinary	100%	100%	1	1
Gilles Resources Pty Ltd	Mineral exploration	Australia	Ordinary	100%	n/a	1	n/a
Silver Eyre Pty Ltd	Mineral exploration	Australia	Ordinary	100%	n/a	1	n/a
Kimba Minerals Pty Ltd	Mineral exploration	Australia	Ordinary	100%	n/a	1	n/a
Goyder Resources Pty Ltd	Mineral exploration	Australia	Ordinary	100%	n/a	1	n/a
Gawler Resources Pty Ltd	Mineral exploration	Australia	Ordinary	100%	n/a	1	n/a

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.

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

a) Exploration Expenditure Commitments (continued)

	2013	2012
Not later than one year	1,651,035	989,583
Later than one year but not later than two years:	555,687	343,750
Later than two years but not later than five years	-	-

b) Office Rental

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

	2013	2012
Not later than one year	154,255	142,568
Later than one year but not later than two years:	143,286	65,000
Later than two years but not later than five years	68,465	59,583

21. Subsequent Events

Other than as disclosed in this report, there has not arisen in the interval between the end of the reporting period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, to significantly affect the operations of the entity, the results of those operations or the state of affairs of the Company in future financial years.

22. Related Party Disclosures

During the year there were no transactions between related parties. 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

Equity instruments

a) Movements in shares

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

Name	Balance at beginning of year	Acquired			Balance at end of the year
2013		**As Remuneration**	**On Market**	**Rights Issues**	
R. Marshall	2,017,430	50,000	-	336,240	2,403,670
J. A. Anderson	1,097,180	-	-	182,864	1,280,044
B. E. Foy	1,934,288	50,000	-	302,382	2,286,670
D. G. Jones	425,206	50,000	-	51,702	526,908
G. C. Gill	252,529	-	-	-	252,529
C. P. Skidmore [1]	-	-	-	-	-
A. R. T. Thin [2]	245,699	-	-	-	245,699

Name	Balance at beginning of year	Acquired			Balance at end of the year
2012		**As Remuneration**	**On Market**	**Rights Issues**	
J. A. Anderson	768,025	-	-	329,155	1,097,180
B. E. Foy	1,130,001	50,000	270,000	484,287	1,934,288
D. G. Jones	147,144	50,000	165,000	63,062	425,206
G. C. Gill	168,698	-	-	83,831	252,529
B. R. Willott [3]	-	-	-	-	-

1. C.P. Skidmore (Project Manager - Paris Project) was included as a Key Management Personnel from 1 July 2012
2. A.R.T. Thin (Commercial Manager) commenced employment on 18 February 2013.
3. B. R. Willott resigned 11 July 2011

Shares acquired as part of Directors' remuneration during the period were acquired on market in accordance with a resolution of shareholders passed at the Annual General Meeting held on 21 November 2011 (refer Note 16 (a)).

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.

b) Movement in options

The movement during the year in the number of options over ordinary shares in Investigator Resources Limited 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	Disposals		Balance at end of the year
2013			**Exercised**	**Lapsed**	
R. Marshall	-	-	-	-	-
J. A. Anderson	3,580,000	905,000	-	-	4,485,000
B. E. Foy	-	-	-	-	-
D. G. Jones	-	-	-	-	-
G. C. Gill	200,000	-	-	-	200,000
C. P. Skidmore	100,000	475,000	-	-	575,000
A. R. T. Thin	-	490,000	-	-	490,000
2012					
R. Marshall	-	-	-	-	-
J. A. Anderson	1,330,000	2,250,000	-	-	3,580,000
B. E. Foy	-	-	-	-	-
D. G. Jones	-	-	-	-	-
G. C. Gill	-	200,000	-	-	200,000
B. R. Willott	100,000	-	-	100,000	-

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.

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.

23. Financial Instruments (continued)

a) Financial Risk Management (continued)

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	Floating Interest Rate $
2013		
Cash and cash equivalents	3.1%	13,778,518
2012		
Cash and cash equivalents	4.2%	4,269,600

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 2013, 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 Group	
	2013	**2012**
	$	**$**
Change in profit:		
Increase in interest rate by 2%	275,570	85,392
Decrease in interest rate by 2%	(275,570)	(85,392)
Change in Equity		
Increase in interest rate by 2%	275,570	85,392
Decrease in interest rate by 2%	(275,570)	(85,392)

24. Parent Entity Information

	2013 $	2012 $
Statement of Financial Position		
Current assets	8,584,244	11,004,057
Total assets	**30,215,630**	**22,679,927**
Current liabilities	1,612,324	1,165,685
Total liabilities	**1,612,324**	**1,165,685**
Net assets	**28,603,306**	**21,514,242**
Equity		
Issued capital	40,309,316	32,183,052
Share option reserve	593,000	405,349
Accumulated losses	(12,299,010)	(11,074,159)
Total equity	**28,603,306**	**21,514,242**
Statement of Comprehensive Income		
Income	740,662	476,862
(Loss) for the year	**(1,224,851)**	**(3,338,284)**

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:

Suite 48, Level 3 Benson House
2 Benson Street
TOOWONG QLD 4066

27. Authorisation of Financial Statements

The consolidated financial statements for the year ended 30 June 2013 (including comparatives) were approved and authorised for issue by the Board of Directors on 20 August 2013.

28. New Accounting Standards for Application in Future Periods

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 July 2013, and have not been applied in preparing these consolidated financial statements. Details are set out below. None of these is expected to have a significant effect on the consolidated financial statements of the Company,

28. New Accounting Standards for Application in Future Periods (continued)

New/ revised Pronouncement	Superseded pronouncement	Nature of change	Effective date	Likely impact on initial application
AASB 9 *Financial Instruments* (December 2010)	AASB 139 *Financial Instruments: Recognition and Measurement* (in part)	AASB 9 introduces new requirements for the classification and measurement of financial assets and liabilities. These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. The main changes are: (a) Financial assets that are debt instruments will be classified based on (1) the objective of the entity's business model for managing the financial assets; and (2) the characteristics of the contractual cash flows. (b) Allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income (instead of in profit or loss). Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument. (c) Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases. (d) Where the fair value option is used for financial liabilities the change in fair value is to be accounted for as follows: The change attributable to changes in credit risk are presented in other comprehensive income (OCI); and The remaining change is presented in profit or loss. If this approach creates or enlarges an accounting mismatch in the profit or loss, the effect of the changes in credit risk are also presented in profit or loss. Otherwise, the following requirements have generally been carried forward unchanged from AASB 139 into AASB 9: • Classification and measurement of financial liabilities; and	1 January 2015	*The entity does not have any financial liabilities measured at fair value through profit or loss. Therefore, there will be no impact on the financial statements when these amendments to AASB 9 are first adopted.*

New/ revised Pronouncement	Superseded pronouncement	Nature of change	Effective date	Likely impact on initial application
		• Derecognition requirements for financial assets and liabilities. Consequential amendments arising from AASB 9 are contained in AASB 2010-7 *Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)*, AASB 2010-10 *Further Amendments to Australian Accounting Standards – Removal of Fixed Dates for First-time Adopters* and AASB 2012-6 *Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and Transition Disclosures*.		
AASB 10 *Consolidated Financial Statements*	AASB 127 AASB Int 112	AASB 10 establishes a revised control model that applies to all entities. It replaces the consolidation requirements in AASB 127 *Consolidated and Separate Financial Statements* and AASB Interpretation 112 *Consolidation – Special Purpose Entities.* The revised control model broadens the situations when an entity is considered to be controlled by another entity and includes additional guidance for applying the model to specific situations, including when acting as an agent may give control, the impact of potential voting rights and when holding less than a majority voting rights may give 'de facto' control. This is likely to lead to more entities being consolidated into the group.	1 January 2013	*Given the current circumstances when this standard is first adopted for the year ended 30 June 2014, there will be no impact on the transactions and balances recognised in the financial statements.*

New/ revised Pronouncement	Superseded pronouncement	Nature of change	Effective date	Likely impact on initial application
AASB 11 *Joint Arrangements*	AASB 131 AASB Int 113	AASB 11 replaces AASB 131 *Interests in Joint Ventures* and AASB Interpretation 113 *Jointly- controlled Entities – Non-monetary Contributions by Ventures*. AASB 11 uses the principle of control in AASB 10 to define joint control, and therefore the determination of whether joint control exists may change. In addition, AASB 11 removes the option to account for jointly-controlled entities (JCEs) using proportionate consolidation. Instead, accounting for a joint arrangement is dependent on the nature of the rights and obligations arising from the arrangement. Joint operations that give the venturers a right to the underlying assets and obligations for liabilities are accounted for by recognising the share of those assets and liabilities. Joint ventures that give the venturers a right to the net assets are accounted for using the equity method. .	1 January 2013	*Given the current circumstances when this standard is first adopted for the year ended 30 June 2014, there will be no impact on transactions and balances recognised in the financial statements because the entity has not entered into any joint arrangements of the style contemplated by the standard.*
AASB 12 *Disclosure of Interests in Other Entities*	AASB 127 (in part) AASB 128 (in part) AASB 131 (in part)	AASB 12 includes all disclosures relating to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. New disclosures introduced by AASB 12 include disclosures about the judgements made by management to determine whether control exists, and to require summarised information about joint arrangements, associates and structured entities and subsidiaries with non-controlling interests.	1 January 2013	*As this is a disclosure standard only, there will be no impact on amounts recognised in the financial statements. However, additional disclosures will be required for interests in associates and joint arrangements, as well as for unconsolidated structured entities.*
AASB 127 *Separate Financial Statements* AASB 128 *Investments in Associates and Joint Ventures*	AASB 127 *Consolidated and Separate Financial Statements* AASB 128 *Investments in Associates*	As a consequence of issuing AASB 10, AASB 11 and AASB 12, revised versions of AASB 127 and AASB 128 have also been issued. AASB 127 now only deals with separate financial statements. AASB 128 incorporates the requirements in Interpretation 113 *Jointly Controlled Entities – Non-Monetary Contributions by Venturers*, and guidance relating to the equity method for associates and joint ventures.	1 January 2013	*When these revised standards are adopted for the first time for the financial year ending 30 June 2014, there will be no impact on the financial statements because they introduce no new requirements.*

New/ revised Pronouncement	Superseded pronouncement	Nature of change	Effective date	Likely impact on initial application
AASB 13 *Fair Value Measurement*	None	AASB 13 establishes a single source of guidance for determining the fair value of assets and liabilities. AASB 13 does not change when an entity is required to use fair value, but rather, provides guidance on how to determine fair value when fair value is required or permitted by other Standards. AASB 13 also expands the disclosure requirements for all assets or liabilities carried at fair value. This includes information about the assumptions made and the qualitative impact of those assumptions on the fair value determined.	1 January 2013	*When this standard is adopted for the first time for the year ended 30 June 2014, additional disclosures will be required about fair values.*
AASB 1053 *Application of Tiers of Australian Accounting Standards* AASB 2010-2 *Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements*	None	AASB 1053 establishes a differential financial reporting framework consisting of two Tiers of reporting requirements for preparing general purpose financial statements: a) Tier 1: Australian Accounting Standards; and b) Tier 2: Australian Accounting Standards - Reduced Disclosure Requirements. Tier 2 comprises the recognition, measurement and presentation requirements of Tier 1 and substantially reduced disclosures corresponding to those requirements. The following entities apply Tier 1 requirements in preparing general purpose financial statements: a) for-profit entities in the private sector that have public accountability; and b) the Australian Government and State, Territory and Local Governments.	1 July 2013	*The entity is a Tier 1 entity and therefore not eligible to apply the Reduced Disclosure Requirements.*
AASB 2011-4 *Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements*	None	The Standard amends AASB 124 *Related Party Disclosures* to remove the individual key management personnel (KMP) disclosures required by Australian specific paragraphs. This amendment reflects the AASB's view that these disclosures are more in the nature of governance disclosures that are better dealt within the legislation, rather than by the accounting standards. In March 2013, the Australian government released *Corporations Legislation Amendment Regulation 2013* which proposed to insert these disclosures into *Corporations Regulations 2001* to ensure the disclosure requirements continue to be operative for financial years commencing on or after 1 July 2013. The closing date for submissions was 10 May 2013.	1 July 2013	*When these amendments are first adopted for the year ending 30 June 2014, they are unlikely to have any significant impact on the entity.*

New/ revised Pronouncement	Superseded pronouncement	Nature of change	Effective date	Likely impact on initial application
AASB 2011-7 *Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards*	None	AASB 2011-7 makes various consequential amendments to Australian Accounting Standards arising from AASB 10, AASB 11, AASB 12, AASB 127 (August 2011) and AASB 128 (August 2011).	1 January 2013	*When these amendments are first adopted for the year ending 30 June 2014, they are unlikely to have any significant impact on the entity given that they are largely of the editorial nature.*
AASB 119 *Employee Benefits* (September 2011)	AASB 119	Main changes include: Elimination of the 'corridor' approach for deferring gains/losses for defined benefit plans Actuarial gains/losses on remeasuring the defined benefit plan obligation/asset to be recognised in OCI rather than in profit or loss, and cannot be reclassified in subsequent periods Subtle amendments to timing for recognition of liabilities for termination benefits Employee benefits 'expected to be settled' (as opposed to 'due to be settled' under current standard) within 12 months after the end of the reporting period are short-term benefits, and therefore not discounted when calculating leave liabilities. Annual leave not expected to be used within 12 months of end of reporting period will in future be discounted when calculating leave liability. Consequential amendments were also made to other standards via AASB 2011-10.	1 January 2013	*The entity does not have any defined benefit plans. Therefore, these amendments will have no significant impact on the entity.*
AASB Interpretation 20 *Stripping Costs in the Production Phase of Surface Mining*	None	This interpretation clarifies that costs of removing mine waste materials (overburden) to gain access to mineral ore deposits during the production phase of a mine must be capitalised as inventories under AASB 102 *Inventories* if the benefits from stripping activity is realised in the form of inventory produced. Otherwise, if stripping activity provides improved access to the ore, stripping costs must be capitalised as a non-current, stripping activity asset if certain recognition criteria are met (as an addition to, or enhancement of, an existing asset).	1 January 2013	*The entity does not operate a surface mine. Therefore, there will be no impact on the financial statements when this interpretation is first adopted.*

New/ revised Pronouncement	Superseded pronouncement	Nature of change	Effective date	Likely impact on initial application
AASB 2012-2 *Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities*	None	This Standard amends the required disclosures in AASB 7 to include information that will enable users of an entity's financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities, on the entity's financial position. This Standard also amends AASB 132 to refer to the additional disclosures added to AASB 7 by this Standard.	1 January 2013	*Given the current circumstances when this AASB 2012-2 is first adopted for the year ended 30 June 2014, there will be no impact on the entity as the entity does not have any netting arrangements in place.*
AASB 2012-3 *Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities*	None	AASB 2012-3 adds application guidance to AASB 132 to address inconsistencies identified in applying some of the offsetting criteria of AASB 132, including clarifying the meaning of "currently has a legally enforceable right of set-off" and that some gross settlement systems may be considered equivalent to net settlement.	1 January 2014	*When AASB 2012-3 is first adopted for the year ended 30 June 2015, there will be no impact on the entity as this standard merely clarifies existing requirements in AASB 132.*
AASB 2012-4 *Amendments to Australian Accounting Standards – Government Loans*	None	AASB 2012-4 adds an exception to the retrospective application of Australian Accounting Standards under AASB 1 *First-time Adoption of Australian Accounting Standards* to require that first-time adopters apply the requirements in AASB 139 (or AASB 9) and AASB 120 *Accounting for Government Grants and Disclosure of Government Assistance* prospectively to government loans (including those at a below-market rate of interest) existing at the date of transition to Australian Accounting Standards.	1 January 2013	*When AASB 2012-4 is first adopted for the year ended 30 June 2014, there will be no impact on the entity as this standard is only relevant to first-time adopters of Australian Accounting Standards.*

New/ revised Pronouncement	Superseded pronouncement	Nature of change	Effective date	Likely impact on initial application
AASB 2012-5 *Amendments to Australian Accounting Standards arising from Annual Improvements 2009–2011 Cycle*	None	These amendments are a consequence of the annual improvements process, which provides a vehicle for making non-urgent but necessary amendments to Standards. The amendments made are largely of the nature of clarifications or removals of unintended inconsistencies between Australian Accounting Standards (for example, AASB 101 is amended to clarify that related notes to an additional statement of financial position are not required in the event of a change in accounting policy, reclassification or restatement).	1 January 2013	*When these amendments are first adopted for the year ended 30 June 2014, they are unlikely to have any significant impact on the entity given that they are largely of the nature of clarifications or removals of unintended inconsistencies between Australian Accounting Standards.*
AASB 2012-6 *Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and Transition Disclosures*	None	AASB 2012-6 amends the mandatory effective date of AASB 9 so that AASB 9 is required to be applied for annual reporting periods beginning on or after 1 January 2015 instead of 1 January 2013. It also modifies the relief from restating prior periods by amending AASB 7 to require additional disclosures on transition from AASB 139 to AASB 9 in some circumstances.	1 January 2013	*The entity will be able to provide transition disclosures, instead of restating comparatives, upon initial application of AASB 9.*
AASB 2012-9 *Amendment to AASB 1048 arising from the Withdrawal of Australian Interpretation 1039*	None	AASB 2012-9 amends AASB 1048 *Interpretation of Standards* as a consequence of the withdrawal of Australian Interpretation 1039 *Substantive Enactment of Major Tax Bills in Australia*.	1 January 2013	*When AASB 2012-9 is first adopted for the year ended 30 June 2014, there will be no impact on the entity as this standard will not affect current practice.*
AASB 2012-10 *Amendments to Australian Accounting Standards – Transition Guidance and Other Amendments*	None	AASB 2012-10 clarifies the transition guidance in AASB 10 *Consolidated Financial Statements*. It also provides additional transition relief in AASB 10, AASB 11 *Joint Arrangements* and AASB 12 *Disclosure of Interests in Other Entities* by limiting the requirement to provide adjusted comparative information only to the immediately preceding comparative period. In addition, for disclosures related to unconsolidated structured entities, AASB 2012-10 removes the requirement to present comparative information for any periods beginning before the first annual reporting period for which AASB 12 is applied.	1 January 2013	*When these amendments are first adopted for the year ended 30 June 2014, they are unlikely to have any significant impact on the entity given that they are largely clarification of existing transitional provisions.*

New/ revised Pronouncement	Superseded pronouncement	Nature of change	Effective date	Likely impact on initial application
		Furthermore, AASB 2012-10 defers the mandatory effective date of AASB 10, AASB 11, AASB 12, AASB 127 *Separate Financial Statements* (August 2011) and AASB 128 *Investments in Associates and Joint Arrangements* (August 2011) for not-for-profit entities from 1 January 2013 to 1 January 2014.		
AASB 1055 *Budgetary Reporting* AASB 2013-1 *Amendments to AASB 1049 – Relocation of Budgetary Reporting Requirements*	None	AASB 1055 specifies budgetary disclosure requirements for the whole of government, General Government Sector (GGS) and not-for-profit entities within the GGS of each government. AASB 2013-1 makes consequential amendments to AASB 1049 as result of the issuance of AASB 1055.	1 July 2014	*These standards only affect entities in the public sector. Accordingly, entities that are not in the public sector do not need to disclose these standards.*
Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27)	None	The amendment provides an exception to the consolidation requirements in IFRS 10 and requires investment entities to measure particular subsidiaries at fair value through profit or loss, rather than consolidate them. The amendments also set out disclosure requirements for investment entities.	1 January 2014	*When this standard is first adopted for the year ended 30 June 2015, there will be no impact on the entity because the parent entity does not meet the definition of 'investment entity'.*
IFRIC Interpretation 21 Levies	None	IFRIC 21 addressed how an entity should account for liabilities to pay levies imposed by governments, other than income taxes, in its financial statements (in particular, when the entity should recognise a liability to pay a levy) IFRIC 21 is an interpretation of IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*. IAS 37 sets out criteria for the recognition of a liability, one of which is the requirement for the entity to have a present obligation as a result of a past event (known as an obligating event). The Interpretation clarifies that the obligating event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy. For example, if the activity that triggers the payment of the levy is the generation	1 January 2014	*When this interpretation is adopted for the first time on 1 January 2014, there will be no significant impact on the financial statements as the entity is not subject any levies addressed by this interpretation.*

New/ revised Pronouncement	Superseded pronouncement	Nature of change	Effective date	Likely impact on initial application
		of revenue in the current period and the calculation of that levy is based on the revenue that was generated in a previous period, the obligating event for that levy is the generation of revenue in the current period. The generation of revenue in the previous period is necessary, but not sufficient, to create a present obligation.		
Recoverable Amount Disclosures for Non-Financial Assets (Amendments to IAS 36)	None	These narrow-scope amendments address disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal. When developing IFRS *13 Fair Value Measurement*, the IASB decided to amend IAS 36 *Impairment of Assets* to require disclosures about the recoverable amount of impaired assets. The IASB noticed however that some of the amendments made in introducing those requirements resulted in the requirement being more broadly applicable than the IASB had intended. These amendments to IAS 36 therefore clarify the IASB's original intention that the scope of those disclosures is limited to the recoverable amount of impaired assets that is based on fair value less costs of disposal.	1 January 2014	*When these amendments are adopted for the first time on 1 January 2014, they are unlikely to have any significant impact on the entity given that they are largely of the nature of clarification of existing requirements.*

INVESTIGATOR RESOURCES LIMITED

ABN 90 115 338 979

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 2013 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

J A Anderson
Managing Director

Brisbane
20 August 2013

Grant Thornton

Grant Thornton Audit Pty Ltd
ACN 130 913 594

Level 18
King George Central
145 Ann Street
Brisbane QLD 4000
GPO Box 1008
Brisbane QLD 4001

T + 61 7 3222 0200
F + 61 7 3222 0444
E info.qld@au.gt.com
W www.grantthornton.com.au

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 "Company"), which comprises the consolidated statement of financial position as at 30 June 2013, the consolidated statement 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 Company 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 Company 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.

In making those risk assessments, the auditor considers internal control relevant to the Company'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 Company'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 2013 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 5 to 7 of the directors' report for the year ended 30 June 2013. The Directors of the Company 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 2013, complies with section 300A of the Corporations Act 2001.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

Cameron Smith

C D J Smith
Partner - Audit & Assurance
Brisbane, 20 August 2013