



INVESTIGATOR
RESOURCES
LIMITED



19th June 2018

Successful application for allocation of JMEI Tax Credits

Summary

Investigator Resources Limited (ASX: IVR) (“Investigator” or the “Company”) is pleased to announce that it has been advised by the Australian Taxation Office (“ATO”) that Investigator’s application for tax credits under the Federal Government’s Junior Minerals Exploration Incentive (“JMEI”) scheme has been assessed and fully allocated.

- Investigator has received an allocation of \$687,500 in JMEI credits.
- Some or all of these JMEI credits may be distributed to all eligible Investigator shareholders as a tax offset or franking credit against the Company’s tax losses for allowable greenfields exploration expenditure in the 2018/2019 financial year
- To be eligible, a shareholder must participate in the Company’s fundraising activities during the 2018/19 financial year
- Only new shares issued by Investigator will be subject to the JMEI scheme.

About the JMEI Scheme

During March 2018, the Federal Parliament passed legislation introducing the JMEI scheme with effect from 1 July 2017 for a four-year period based on an annual application process. The ATO is the administrator of the scheme.

The JMEI scheme enables eligible exploration companies to create refundable tax credits to distribute to eligible shareholders by forgoing a portion of their carried forward tax losses that have arisen from allowable expenditure on "greenfield" exploration.

The JMEI applies to Shareholders who acquire new shares in a “greenfields” minerals explorer before the end of an income year in which the Commissioner has made an exploration credits allocation. The shares must be equity interests for the purposes of the debt and equity tax rules.

Australian resident shareholders that are issued with JMEI credits will generally be entitled to refundable tax offsets (for individual shareholders or superannuation funds) or franking credits (for companies). Receiving a JMEI credit could have tax consequences and shareholders who are issued JMEI credits by the Company should obtain independent tax advice specific to their personal circumstances.

The Company's allocation of JMEI credits must be distributed to all eligible shareholders on a pro-rata basis. For shareholders to be eligible to receive a pro-rata distribution of JMEI credits from the Company, they must have applied for and been issued new shares in the Company during the 2018/19 financial year.

Investigator's participation in the scheme

The ATO has confirmed that Investigator's application to participate in the JMEI scheme for the 2018/2019 tax year has been accepted and that 100% of the exploration credits of \$687,500 applied for has been allocated to the Company for distribution to shareholders who acquire new Investigator shares ("Eligible Shareholders") after 1 July 2018 and prior to 30 June 2019.

Investigator has not determined the timing of any future equity raising. The actual number of JMEI credits to be received by each Eligible Shareholder for the 2018/19 income year will depend on a number of factors including but not limited to:

- the actual amount of allowable "greenfields" exploration expenditure incurred by the Company during the 2018/19 financial year
- the total number of Investigator shares issued during the 2018/19 financial year
- Investigator's tax losses for 2018/19 financial year following the lodgement of its 30 June 2019 tax return

The JMEI scheme is new and therefore all Eligible Shareholders are encouraged to seek their own independent financial advice before participating in any future equity raising. The JMEI credits will apply to the 2018/19 tax year and may be issued by the Company after lodgement of its 30 June 2019 income tax return.

For further information about the JMEI refer to the ATO website at:

<https://www.ato.gov.au/Business/Junior-Minerals-Exploration-Incentive/>.

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