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Financial Report
For the Half Year Ended 31 December 2019

Riversgold Ltd
ABN 64 617 614 598

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Riversgold Ltd
ABN 64 617 614 598

Corporate Directory

Directors

Mr Justin Boylson (Executive Director)
Mr Michael Davy (Non-executive Director)
Mr Simon Andrew (Non-executive Director)

Company Secretary

Ms Amanda Burgess

Principal Office

Unit 22, 589 Stirling Highway
Cottesloe, WA 6010
Telephone (08) 6500 7375
Web www.riversgold.com.au

Registered Office

33 Yilgarn Street
Shenton Park WA 6008

Auditor

HLB Mann Judd
Level 4, 130 Stirling Street
Perth, Western Australia 6000

Share Registry

Computershare Investor Services Pty Ltd
Level 11, 172 St Georges Terrace
Perth, Western Australia 6000
Telephone (08) 9323 2000

Securities Exchange Listing

ASX Limited
Exchange Plaza
2 The Esplanade
Perth WA 6000
ASX Code - RGL.

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Directors' Report

The Directors present the financial statements of Riversgold Ltd (the Company) and the entities it controlled (the Group) for the half year ended 31 December 2019.

Directors

The following persons were directors of Riversgold Ltd during the whole of the half year and up to the date of this report, unless otherwise stated:

Roderick Webster	(Non-Executive Chairman) - <i>resigned 17 October 2019</i>
Simon Andrew	(Non-Executive Director) - <i>appointed 29 August 2019</i>
Michael Davy	(Non-Executive Director) - <i>appointed 29 August 2019</i>
Kevin Hart	(Non-Executive Director) - <i>resigned 29 August 2019</i>
Justin Boylson	(Executive Director) - <i>appointed 29 August 2019</i>
Aaron Colleran	(Non-Executive Director) - <i>resigned 29 August 2019</i>

Company Secretary

Amanda Burgess – *appointed 20 December 2019*

Kevin Hart – *resigned 20 December 2019*

Review of Operations

The consolidated loss after income tax for the half year was \$488,265 (31 December 2018 \$1,165,793). At the end of the half year the Group had \$667,625 (30 June 2019: \$406,597) in cash and at call deposits.

Riversgold has a portfolio of highly prospective gold exploration projects in two world-class gold terranes:

- the Eastern Goldfields of Western Australia;
- the Tintina Gold Province in southwest Alaska, USA.

The Company is also exploring for a large Iron-Oxide Copper-Gold deposit in the Olympic Copper-Gold Province of South Australia.

The Company continued to review and validate all previous work that has been carried out to date at Kurnalpi along the Randal Fault. Following the restructure and capitalisation of the Company, activities focused on potential rationalisation of the Company's Project portfolio by divesting non-core assets and tenement that are deemed prospective. Further technical reviews will be obtained with quotes for geophysical programmes to commence at Kurnalpi, upon receipt of capital raising funds.

Kurnalpi Region Projects, WA

Riversgold has a portfolio of 1,041 km² mineral exploration tenements in the Eastern Goldfields of Western Australia (Figure 1.1). The projects are located along major structures and within proximity to transport infrastructure, existing gold processing facilities and emerging gold discoveries.

The Company also has a farm-in agreement with ASX-listed Alloy Resources Limited ("Alloy") over two Exploration Licences in the same area.

The key focus for Kurnalpi is resource determination at Cutler and Farr Jones and due to previous high levels of anomalism at Queen Lapage systematic follow up is required.

Directors' Report

Farr Jones Trend

Farr Jones is located within the Randalls Shear Zone and offers the potential for resource conversion with ongoing RC drilling. Further testing of the trend at Ella, Eales, Little, Horan and Venetian should continue with geochemistry and AC/RAB drilling.

Mineralisation appears to be quartz vein hosted with arsenopyrite at a clastic-volcaniclastic contact. The prospect appears to be geologically continuous. The key challenge and opportunity is identifying shoot controls to identify the high grade component of the +2.5km structure.

Geochem work can be utilised to further expand the strike extents of the prospect and generate new early stage/Aircore/RAB targets.

The trend offers multiple immediate drill targets close to good infrastructure – any discovery will result in the potential for toll treating options for RGL.

Cutler

Cutler is a +500m long prospect with some of RGL's best intersections, the prospect is located within a larger +3km anomaly, with historical drilling identifying the anomalous trend. The prospect remains open to the north and south of recent (RGL) RC drilling.

Bedrock appears to be masked by drainage channels coming from the west, offering paleo gold potential as well as the potential for a discovery under cover.

Local geology appears to be basalts to dolerites with mineralisation in fresh rock being associated with quartz veins with moderate chlorite and biotite alteration and trace pyrite.

The majority of drilling within the Cutler prospect appears to have tested oxide gold, with limited testing of mineralisation at depth in fresh rock.

Queen Lapage

Queen Lapage is a large-scale anomaly beneath Lake Yindarlgooda. Drilling has defined a large, persistent low-level anomaly along key structural trends. The level of anomalism is significant as it is comparable to the initial anomalism identified at Invincible (Goldfield owned deposit, +1.3Moz @ +4g/t Au).

The trend/prospect is named after the mine north of the current tenure, Queen Lapage. It was an open cut mined by Croesus Mining along the edge of Northern end of Lake Yindarlgooda in the early 1990's with a production of approximately 35,000t @ 9g/t Au.

Current levels of anomalism are significant in a stripped profile environment – these results require systematic follow up.

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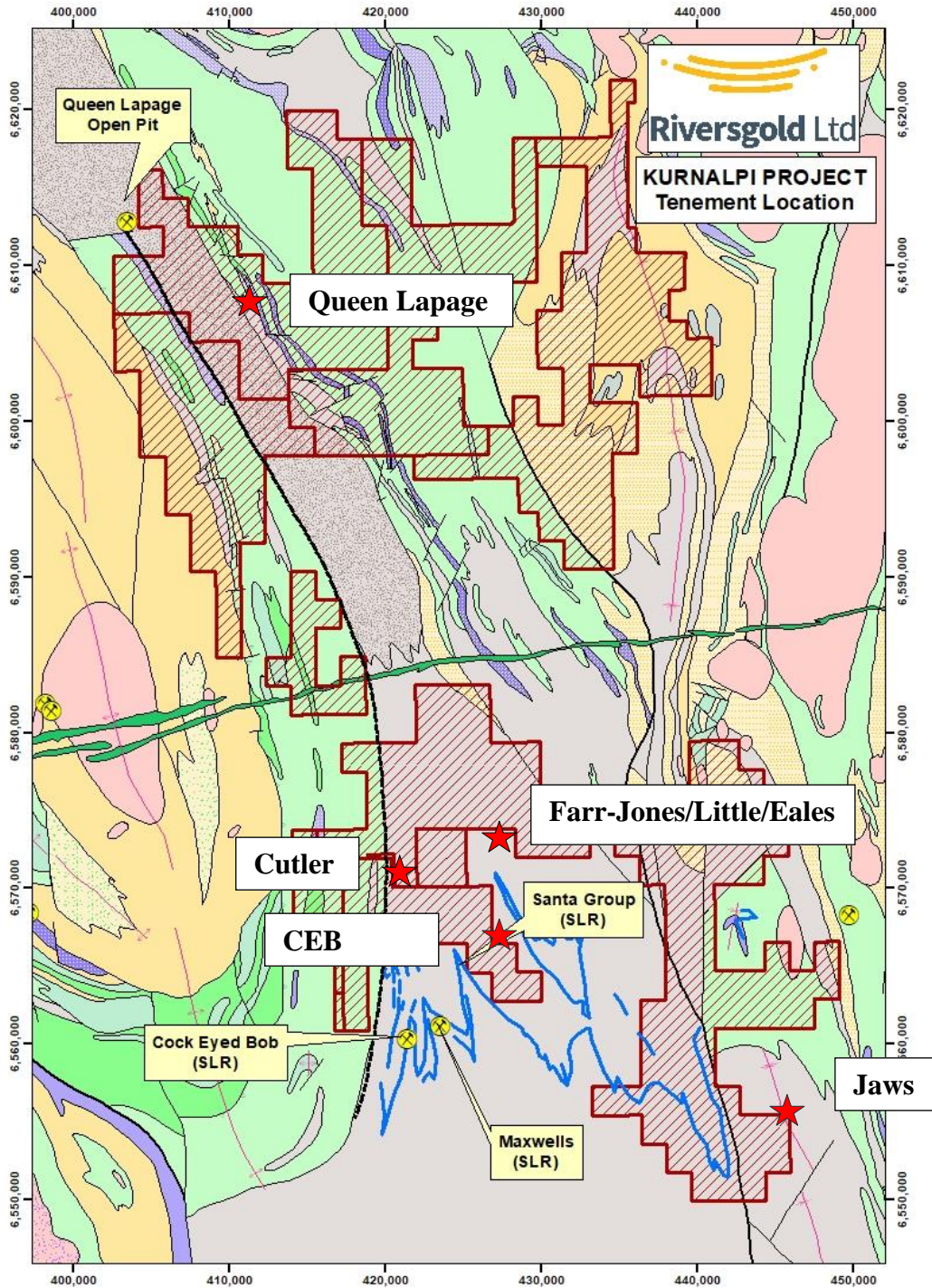


Figure 1.1 Location of Riversgold's Kurnalpi region projects showing key targets.

South Australia

Riversgold is exploring for a large Iron-Oxide Copper-Gold deposit in the Olympic Copper-Gold Province of South Australia. The Company currently has two projects within this province (Figure 2.1). The 2018 announcement of significant results at the Oak Dam West target, by BHP, highlights the potential for the discovery of further large IOCG deposits within this province.

Directors' Report

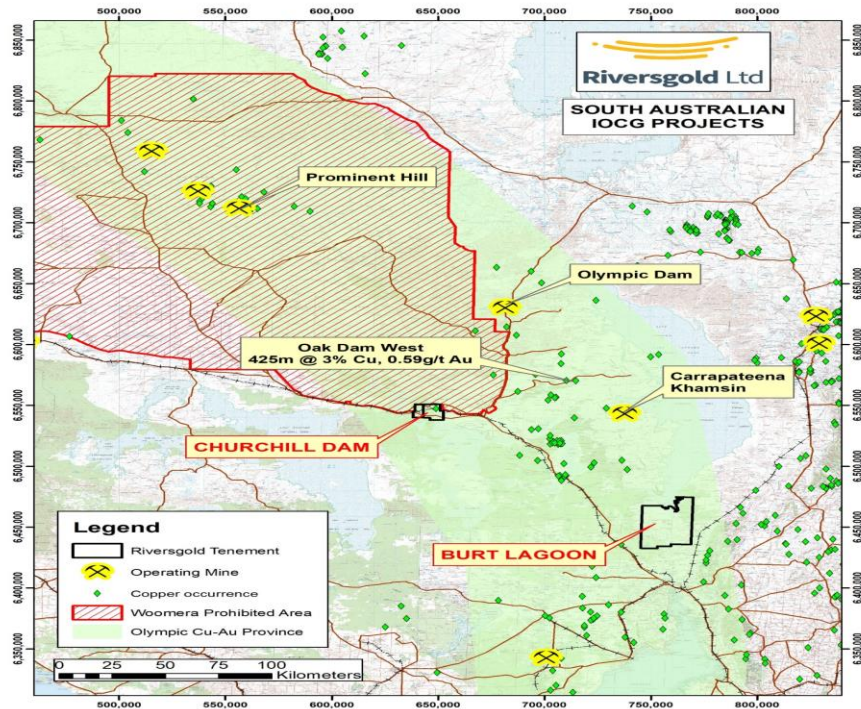


Figure 2.1. Riversgold's South Australian projects in relation to known IOCG deposits.

Southwest Alaska, USA

Riversgold has a 100% interest in three projects in southwest Alaska, USA. The projects are located at the western end of the "Tintina Gold Province", which hosts the giant 45 million-ounce Donlin Creek gold deposit, along with other intrusion-related gold (IRG) deposits such as Fort Knox, Pogo and Livengood.

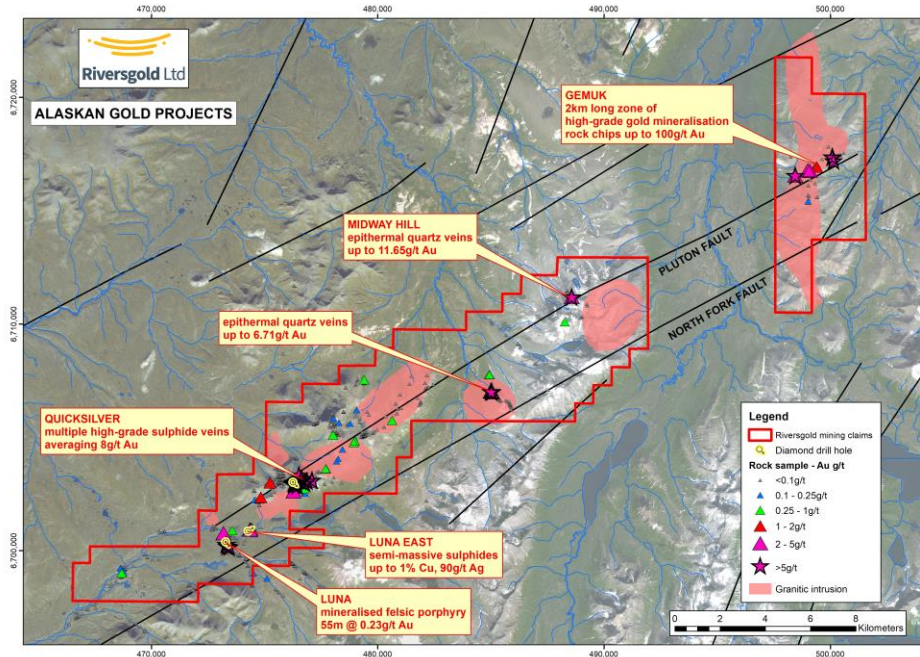


Figure 2.2. Riversgold's SW Alaska Gold Project.

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Directors' Report

Corporate

On 29 August 2019 Mr Justin Boylson was appointed as Executive Director and Messrs Simon Andrew and Michael Davy were appointed as Non-executive Directors to the Board when Messrs Aaron Colleran and Kevin Hart resigned from the Board.

On 17 October 2019 Mr Rod Webster resigned as Chariman of the Company.

Capital Raising

On 29 August 2019 the Company announced that it was to undertake a capital raising.

The key terms of the Capital Raising were as follows:

- subject to shareholder approval, the Company would undertake a placement to sophisticated or professional investors of up to 40,000,000 fully paid ordinary shares at an issue price of \$0.01 per Share to raise \$400,000;
- subject to shareholder approval, existing Directors would convert \$100,533 of accrued Directors fees into Shares at a conversion price of \$0.01 per Share; and
- the Company would undertake a non-renounceable rights issue on the basis of 1 new Share for every Share held on the record date, at an issue price of \$0.01 to raise up to \$1,511,815.

The Company received shareholder approval at a general meeting of shareholders held on 16 October 2019 for the above capital raising and on 17 October 2019 the placement was completed raising \$400,000 and issuing 40,000,000 shares at a share price of \$0.01.

On 20 November 2019 the non-renounceable rights issue was closed, and 66,518,841 shares were issued raising a total of \$665,188 (before costs), leaving a shortfall of 84,716,034 shares.

On 24 December 2019 the Company repaid the convertible note of \$100,000 (plus interest) that was issued on 1 May 2019 to Greenwich Group Pty Ltd.

Significant Changes in the State of Affairs

There were no significant changes in the state of affairs of the Company during the reporting period.

Matters Subsequent to the End of the Financial Period

The non-renounceable rights issue shortfall was completed on 14 February 2020 by issuing 29,500,000 shares at \$0.01, raising \$295,000.

Apart from the above, there has not arisen in the interval between the end of the half-year 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 affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial periods.

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Directors' Report

Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required under Section 307C of the *Corporations Act 2001* is set out on the following page.

This report is made in accordance with a resolution of the Directors.

Dated at Perth this 13th day of March 2020.

A handwritten signature in blue ink, appearing to read 'Justin Boylson', with a long horizontal flourish extending to the right.

Justin Boylson
Executive Director

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the consolidated financial report of Riversgold Ltd for the half-year ended 31 December 2019, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- a) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) any applicable code of professional conduct in relation to the review.

Perth, Western Australia
13 March 2020



D I Buckley
Partner

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Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the half year ended 31 December 2019

	Note	Consolidated	
		31 December 2019 \$	31 December 2018 \$
Income			
Interest income	3	266	5,190
Foreign exchange gain(loss)		-	45,626
Other income		-	50
Total income		<u>266</u>	<u>50,866</u>
Expenses			
Employee and director expenses	3	(213,673)	(224,177)
Corporate expenses		(86,096)	(99,440)
Administration and other expenses		(148,290)	(204,682)
Depreciation expense		(19,745)	(18,786)
Exploration costs expensed and written off	5	(18,235)	(669,574)
Foreign exchange loss		(2,492)	-
		<u>(488,531)</u>	<u>(1,216,659)</u>
Loss before income tax	3	(488,265)	(1,165,793)
Income tax expense	3	-	-
Loss after tax		(488,265)	(1,165,793)
Other comprehensive income, net of income tax			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange differences on translation of foreign operations		(4,132)	64,877
Total comprehensive loss for the period		(492,397)	(1,100,916)
		Cents	Cents
Basic loss per share		<u>(0.36)</u>	<u>(1.4)</u>
Diluted loss per share		<u>(0.36)</u>	<u>(1.4)</u>

The above condensed consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

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Condensed Consolidated Statement of Financial Position
As at 31 December 2019

	Note	Consolidated	
		31 December 2019 \$	30 June 2019 \$
Current assets			
Cash and cash equivalents		667,625	406,597
Trade and other receivables	4	6,782	6,241
Other current assets		440	440
Total current assets		674,847	413,278
Non-current assets			
Property, plant and equipment		65,757	85,502
Capitalised exploration and acquisition costs	5	4,755,765	4,515,447
Total non-current assets		4,821,522	4,600,949
Total assets		5,496,369	5,014,227
Current liabilities			
Trade and other payables	6	352,392	389,261
Interest bearing loan		-	100,755
Employee leave liabilities		1,539	2,147
Total current liabilities		353,931	492,163
Total liabilities		353,931	492,163
Net assets		5,142,438	4,522,064
Equity			
Issued capital	7	14,730,218	13,625,834
Accumulated losses		(11,799,237)	(11,310,972)
Reserves	9	2,211,457	2,207,202
Total equity		5,142,438	4,522,064

The above condensed consolidated statement of financial position should be read in conjunction with the accompanying notes.

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Condensed Consolidated Statement of Changes in Equity
For the half year ended 31 December 2019

	Consolidated				
	Issued capital \$	Accumulated losses \$	Share based payment reserve \$	Foreign currency translation reserve \$	Total \$
At 1 July 2018	12,845,783	(7,454,620)	2,032,489	54,845	7,478,497
Loss for the period	-	(1,165,793)	-	-	(1,165,793)
Other comprehensive income	-	-	-	64,877	64,877
Total comprehensive loss	-	(1,165,793)	-	64,877	(1,100,916)
Transactions with equity holders in their capacity as equity holders:					
Securities issued	602,750	-	-	-	602,750
Share issue costs	(28,508)	-	-	-	(28,508)
Share based payments:					
Employees/directors	-	-	17,094	-	17,094
Balance at 31 December 2018	<u>13,420,025</u>	<u>(8,620,413)</u>	<u>2,049,583</u>	<u>119,722</u>	<u>6,968,917</u>
At 1 July 2019	13,625,834	(11,310,972)	2,073,655	133,547	4,522,064
Loss for the period	-	(488,265)	-	-	(488,265)
Other comprehensive loss	-	-	-	(4,132)	(4,132)
Total comprehensive loss	-	(488,265)	-	(4,132)	(492,397)
Transactions with equity holders in their capacity as equity holders:					
Securities issued	1,165,721	-	-	-	1,165,721
Share issue costs	(61,337)	-	-	-	(61,337)
Share based payments:					
Employees/directors	-	-	8,387	-	8,387
Balance at 31 December 2019	<u>14,730,218</u>	<u>(11,799,237)</u>	<u>2,082,042</u>	<u>129,415</u>	<u>5,142,438</u>

The above condensed consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

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Condensed Consolidated Statement of Cash Flows
For the half year ended 31 December 2019

	Note	Consolidated	
		31 December 2019 \$	31 December 2018 \$
Cash flows from operating activities			
Payments to suppliers and employees		(143,215)	(473,929)
Interest received		266	6,580
Interest paid		-	-
Net cash used in operating activities		(142,949)	(467,349)
Cash flows from investing activities			
Payments for exploration and evaluation		(496,972)	(1,867,761)
Payment for property, plant and equipment		-	(15,540)
Net cash used in investing activities		(496,972)	(1,883,301)
Cash flows from financing activities			
Proceeds from the issue of shares		1,065,189	602,750
Payments for share issue costs		(64,638)	(11,971)
Repayment of borrowings		(100,000)	-
Net cash from financing activities		900,551	590,779
Net increase/(decrease) in cash held		260,630	(1,759,871)
Cash at the beginning of the financial period		406,597	2,895,471
Effect of exchange rate fluctuations on cash held		398	(216)
Cash at the end of the financial period		667,625	1,135,384

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

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Notes to the Condensed Consolidated Financial Statements
For the half year ended 31 December 2019

Note 1 Basis of preparation of half year report

Statement of compliance

The condensed interim consolidated financial statements (the interim financial statements) for Riversgold Ltd and its subsidiaries (collectively, the Group) are general purpose interim financial statements, and have been prepared in accordance with Australian Accounting Standard *AASB 134 Interim Financial Reporting* and the *Corporations Act 2001*. Compliance with AASB 134 ensures that the financial statements comply with International Financial Reporting Standard *IAS 134 Interim Financial Reporting*.

These interim financial statements do not include all the notes of the type normally included in annual financial statements and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Group as the full financial statements. Accordingly, these interim financial statements are to be read in conjunction with the annual financial statements for the year ended 30 June 2019 and any public announcements made by Riversgold Ltd during the half-year reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The interim financial statements were approved by the Board of Directors on 13th March 2020.

Basis of preparation

The interim financial statements have been prepared on the historical cost basis. Cost is based on the fair values of consideration given in exchange for assets. The Company is domiciled in Australia and all amounts are presented in Australian dollars.

Accounting policies and methods of computation

The same accounting policies and methods of computation have been followed in these interim financial statements as compared with the most recent annual financial statements, except for the adoption of new Accounting Standards as set out below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

For the purpose of preparing the interim financial statement, the half-year has been treated as a discrete reporting period.

Adoption of new and revised Accounting Standards

Standards and Interpretations applicable to 31 December 2019

In the period ended 31 December 2019, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Group and effective for the current annual reporting period. As a result of this review, the Directors have determined that there is no material impact of the new and revised Standards and Interpretations on the Group.

AASB 16 Leases replaces AASB 117 Leases and related interpretations.

AASB 16 removes the classification of leases as either operating leases or finance leases – for the lessee – effectively treating all leases as finance leases. The Company has adopted AASB 16 from 1 July 2019. Most leases will be capitalised on the statement of financial position by recognising a lease liability for the present value obligation and a 'right of use' asset. The right of use asset is calculated based on the lease liability plus initial direct costs, prepaid lease payments and estimated restoration costs less lease incentives received. This will result in an increase in the recognised assets and liabilities in the statement of financial position as well as a change in the expense recognition with interest and depreciation replacing operating lease expense. There are exemptions for short-term leases and leases of low-value items.

Lessor accounting remains similar to current practice, i.e. lessors continue to classify leases as finance and operating leases.

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Notes to the Condensed Consolidated Financial Statements
For the half year ended 31 December 2019

As a result of this review, the Directors have initially applied AASB 16 Leases from 1 July 2019, however there is no material impact on the Group.

Standards and interpretations in issue not yet effective

The directors have also reviewed all of the new and revised standards and interpretations in issue not yet effective for the half-year ended 31 December 2019.

As a result of this review, the directors have determined that there will be no material impact of these standards and interpretations on the Group and, therefore, no change is necessary to Group accounting policies.

Going concern

As at 31 December 2019 the Group has cash assets of \$667,625, and total current liabilities at that date amounting to \$353,931. The loss for the six months to 31 December 2019 was \$488,265 of which \$18,235 related to the expensing and write off of exploration costs. Operating cash outflows for the six months to 31 December 2019 were \$142,949.

The interim financial statements have been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

The ability of the Group to continue to adopt the going concern assumption will depend on future successful capital raisings, the successful exploration and subsequent exploitation of the Group's tenements and/or sale of non-core assets.

The Group will be required to raise additional funds in order to meet its budgeted expenditure. The Group has the ability to scale back discretionary expenditure pending the timing of raising of additional funds. Should these measures not be achieved there is a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern and therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

Significant accounting judgements and key estimates

The preparation of the interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

The same judgments, estimates and assumptions were used in preparing the interim financial statements as those used in preparing the financial report for the year ended 30 June 2019, with the exception of valuation of share-based payments. Refer to Note 8 for further details.

Note 2 Segment information

The Group has identified its operating segments based on the internal reports that are reviewed and used by the board of directors in assessing performance and determining the allocation of resources. Reportable segments disclosed are based on aggregating operating segments, where the segments have similar characteristics.

The Group's activities encompass mineral exploration and resource development in various international jurisdictions and as such management currently identifies the Groups geographic positions as its operating segments.

The following tables present revenue and loss information and certain asset and liability information regarding operating segments for the half year ended 31 December 2019.

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Notes to the Condensed Consolidated Financial Statements
For the half year ended 31 December 2019

Note 2 Segment information (continued)

2019

6 months ended December 2019

	Australia \$	Alaska \$	Cambodia \$	Consolidated \$
Interest income	266	-	-	266
Segment revenue	266	-	-	266
Segment loss before income tax expense	480,148	194	7,893	488,265
Segment assets	3,342,276	2,154,093	-	5,496,369
Segment liabilities	202,459	151,472	-	353,931

2018

6 months ended December 2018

	Australia \$	Alaska \$	Cambodia \$	Consolidated \$
Interest income	5,190	-	-	5,190
Segment revenue	50,866	-	-	50,866
Segment loss before income tax expense	625,022	540,771	-	1,165,793
Segment assets	4,142,827	3,078,862	-	7,221,689
Segment liabilities	162,772	90,000	-	252,772

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Notes to the Condensed Consolidated Financial Statements
For the half year ended 31 December 2019

	Consolidated	
	31 December 2019 \$	31 December 2018 \$

Note 3 Revenue and expenses

Loss before income tax includes the following specific income and expenses:

Revenue

Interest income	266	5,190
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Employee Expenses

Salaries and wages	19,047	314,899
Directors Fees	118,927	55,000
Superannuation	6,521	29,868
Equity based remuneration	33,520	17,094
Other employee costs	35,658	19,856
Less: amount allocated to exploration	-	(212,540)

Net employee expenses	213,673	224,177
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Other Expenses include the following specific expenses:

Insurance	32,602	35,907
Occupancy expenses	25,651	22,326
Marketing expenses	2,879	56,067
	61,133	114,300

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Notes to the Condensed Consolidated Financial Statements
For the half year ended 31 December 2019

	Consolidated	
	31 December 2019	30 June 2019
	\$	\$

Note 4 Current assets – Trade and other receivables

GST receivable	6,782	6,241
	<u>6,782</u>	<u>6,241</u>

	Consolidated	
	31 December 2019	30 June 2019
	\$	\$

Note 5 Capitalised exploration and acquisition costs

Balance at the beginning of the period	4,515,447	4,667,898
<i>Movements during the period:</i>		
Exploration expenditure incurred (including movement in USD AUD exchange rates)	242,399	2,644,906
Capitalised costs written off during the financial year	-	(1,365,717)
Exploration expenditure written off	<u>(2,081)</u>	<u>(1,431,640)</u>
Balance at the end of the period	<u>4,755,765</u>	<u>4,515,447</u>

During the prior period the Kisa claims in Alaska were relinquished and two of the three Kurnalpi South tenements were returned to Serendipity Resources Pty Ltd. This resulted in the large write-off in the previous period.

The recoupment of costs carried forward in relation to areas of interest in the exploration and evaluation phases is dependent on the successful development and commercial exploitation or sale of the respective areas.

	Consolidated	
	31 December 2019	30 June 2019
	\$	\$

Note 6 Current liabilities – Trade and other payables

Trade and other payables	332,556	314,984
Accrued expenses	19,836	74,277
	<u>352,392</u>	<u>389,261</u>

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Notes to the Condensed Consolidated Financial Statements
For the half year ended 31 December 2019

Note 7 Issued capital

a) Ordinary shares

The Company is a public company limited by shares. The Company was incorporated in Perth, Western Australia. The Company's shares are limited whereby the liability of its members is limited to the amount (if any) unpaid on the shares respectively held by them.

	Issue price	31 December 2019		30 June 2019	
		Number	\$	Number	\$

b) Share capital

Issued share capital	101,181,543	13,625,834	101,181,543	13,625,834
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c) Share movements during the period

Balance at the start of the period	-	-	83,214,935	12,845,783
Shares issued under a Share Placement \$0.075	-	-	6,670,000	500,250
Shares issued under a Share Purchase Plan \$0.075	-	-	1,366,664	102,500
Shares issued under a Share Placement \$0.022	-	-	9,929,944	218,459
Shares issued under a Share Placement \$0.01	40,000,000	400,000	-	-
Shares issued on conversion of Directors' fees \$0.01	10,053,332	100,533	-	-
Shares issued under share Placement \$0.01	66,518,841	665,188	-	-
Less share issue costs	-	(61,337)	-	(41,158)
Balance at the end of the financial period	217,753,716	14,730,218	101,181,543	13,625,834

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Notes to the Condensed Consolidated Financial Statements
For the half year ended 31 December 2019

Note 8 Options

a) Options Issued during the period

During the financial period the Company issued 18,000,000 options over unissued shares with an exercise price of \$0.001 to Directors approved by shareholders at the Company's annual general meeting held on 28 November 2019 as follows:

Tranche No	Related Party Name	Number of options	Exercise Price	Expiry Date	Fair value of options \$
1	Justin Boylson	2,000,000	\$0.001	4 Dec 2022	18,600
1	Simon Andrew	2,000,000	\$0.001	4 Dec 2022	18,600
1	Michael Davy	2,000,000	\$0.001	4 Dec 2022	18,600
2	Justin Boylson	2,000,000	\$0.001	4 Dec 2022	18,600
2	Simon Andrew	2,000,000	\$0.001	4 Dec 2022	18,600
2	Michael Davy	2,000,000	\$0.001	4 Dec 2022	18,600
3	Justin Boylson	2,000,000	\$0.001	4 Dec 2022	18,040
3	Simon Andrew	2,000,000	\$0.001	4 Dec 2022	18,040
3	Michael Davy	2,000,000	\$0.001	4 Dec 2022	18,040
	Total	18,000,000			165,720

The Related Party Options are subject to the following vesting conditions:

	Vesting Conditions
Tranche 1	Subject to 24 months of continuous service as a Director following grant of the Options.
Tranche 2	Subject to the Company announcing that it has entered into a farm-in agreement with a minimum investment of \$3,000,000 in relation to the Company's non-WA assets.
Tranche 3	Subject to the Company achieving a volume weighted average share price of at least \$0.04 calculated over any 20-day trading period after the issue of the Options.

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Riversgold Ltd
ABN 64 617 614 598

Notes to the Condensed Consolidated Financial Statements
For the half year ended 31 December 2019

Valuation Assumptions

Tranche 1 and 2 were valued using the Black-Scholes option valuation methodology.

Tranche 3 was valued by an independent accounting firm using the Hoadleys Hybrid ESO Model (a Monte Carlo model) with a single share price target on the basis of a stock price of \$0.013.

Tranche No	Date granted	Number of options granted	Exercise price (\$)	Expiry date	Risk free interest rate used	Volatility applied	Value of Options
1	28 Nov 2019	6,000,000	\$0.001	4 Dec 2022	0.69%	119%	\$55,800
2	28 Nov 2019	6,000,000	\$0.001	4 Dec 2022	0.69%	119%	\$55,800
3	28 Nov 2019	6,000,000	\$0.001	4 Dec 2022	0.69%	119%	\$54,120

Historical volatility has been used as the basis for determining expected share price volatility.

b) Options exercised during the period

During the period the Company issued no shares on the exercise of options.

c) Options cancelled during the period

During the period the Company issued no options were cancelled.

d) Options on issued at the balance date

The number of options outstanding over unissued ordinary shares at 31 December 2019 is 40,320,000. The terms of these options are as follows:

Date Granted	Number	Exercise price	Escrowed Until	Expiry date
15 May 2017	3,000,000	20 cents	10 October 2019	15 May 2022
3 Jul 2017	4,195,987	20 cents	21 July 2018	10 October 2020
3 Jul 2017	804,013	20 cents	10 October 2019	10 October 2020
26 Sep 2017	13,750,000	20 cents	26 September 2018	10 October 2020
19 Mar 2018	450,000	20 cents	-	19 March 2020
28 Feb 2019	120,000	9 cents	-	28 February 2023
28 Nov 2019	18,000,000	0.1 cents	-	4 December 2022
Total	40,320,000			

e) Subsequent to balance date

On 14 February 2020, 29,500,000 shares were issued in relation to the shortfall on the non-renounceable rights issue, to raise \$295,000.

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Notes to the Condensed Consolidated Financial Statements
For the half year ended 31 December 2019

	Consolidated			
	31 December 2019		30 June 2019	
	Foreign exchange translation reserve ¹ \$	Share based payment reserve ² \$	Foreign exchange translation reserve \$	Share based payment reserve \$

Note 9 Reserves

Balance at the beginning of the period	133,547	2,073,655	54,845	2,032,489
<i>Movements during the period:</i>				
Movement in foreign translation reserve in respect of exchange rate	(4,132)	-	78,702	
Movement in share based payment reserve in respect of options issued	-	8,387		41,166
Balance at the end of the period	129,415	2,082,042	133,547	2,073,655

¹The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries.

²The share based payment reserve is used to recognise the fair value of options issued and vested but not exercised. See Note 8 for further information on options issued.

Note 10 Dividends

No dividends were paid or proposed during the period.

The Company has no franking credits available as at 31 December 2019.

Note 11 Contingencies Liabilities and Contingent Assets

There has been no change in the contingent liabilities or contingent assets noted in the annual report for the year ended 30 June 2019.

Note 12 Events occurring after the balance date

The non-renounceable rights issue shortfall was completed on 14 February 2020 by issuing 29,500,000 shares at \$0.01, raising \$295,000.

Other than noted above, 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 of the Company to affect substantially the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial years.

Note 13: Financial Instruments

The Directors consider that the carrying value of the financial assets and liabilities as recognised in the financial statements approximate their fair values.

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Directors' Declaration

In the opinion of the Directors of Riversgold Ltd ("the Company")

- (a) the attached interim financial statements and notes thereto are in accordance with the Corporations Act 2001, including:
- (i) complying with Australian Accounting Standards, the *Corporations Regulations 2001*, professional reporting requirements and other mandatory requirements; and
 - (ii) giving a true and fair view of the financial position as at 31 December 2019 and of the performance for the half-year ended on that date of the Group.
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with a resolution of the Board of Directors made pursuant to s.303(5) of the *Corporations Act 2001*.

Signed at Perth this 13th day of March 2020.



Justin Boylson
Executive Director

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Riversgold Ltd

Report on the Condensed Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Riversgold Ltd ("the company") which comprises the condensed consolidated statement of financial position as at 31 December 2019, the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory notes, and the directors' declaration, for the Group comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Riversgold Ltd is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Group's financial position as at 31 December 2019 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Emphasis of matter - material uncertainty related to going concern

We draw attention to Note 1 in the financial report, which indicates that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Directors' responsibility for the half-year financial report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2019 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the company, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

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



HLB Mann Judd
Chartered Accountants

Perth, Western Australia
13 March 2020



D I Buckley
Partner

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