



Riversgold Ltd
ABN 64 617 614 598

ANNUAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019

Riversgold Limited
ABN 64 617 614 598

Corporate Directory

Directors

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

Company Secretary

Kevin Hart

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Share Registry

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Securities Exchange Listing

The Company's shares are quoted on the Australian Securities Exchange. The home exchange is Perth, Western Australia. The ASX Code is RGL.

Company Information

The Company was incorporated and registered under the *Corporations Act 2001* in Western Australia on 24 February 2017.

The Company is domiciled in Australia.

Corporate Governance

The Company has adopted the 3rd Edition of the ASX Corporate Governance Recommendations. A summary statement which has been approved by the Board, together with current policies and charters, is available on the Company Website: www.riversgold.com.au.

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Chairman's Letter

Dear Fellow Shareholder

It is with great pleasure that I present you with the 2019 Annual Report for Riversgold. The Board acknowledges that Financial Year 2019 has been a challenging period for the Company and our shareholders. Post the end of the financial year Riversgold has completed a significant corporate restructure. The restructure had included changes to the Board and also a recapitalization of the Company. The aim of these initiatives is to reinvigorate the Riversgold story in order to generate returns for our Shareholders and other stakeholders.

Board Changes

Since the end of the financial year there has been a significant change to the Board of Riversgold. Mr Aaron Colleran, Mr Roderick Webster and Mr Kevin Hart have resigned from the Board. The Company wishes to thank previous Board members for their contribution. Joining the Board are Mr. Justin Boylson, Mr. Simon Andrew and Mr. Michael Davy. Mr Boylson has been appointed as an executive Director. Mr. Boylson brings over 25 years of experience in resource project management and commodities trading.

Recapitalisation Initiatives

Subsequent to the end of the financial year the Company has undertaken a number of initiatives to recapitalise the Company. These initiatives have included a capital raising and rights issue to raise circa \$1.9m. This capital will be used primarily to progress exploration on the Kurnalpi Project in W.A.

Operational Review

As articulated in the June Quarterly the Company has placed the Kurnalpi Project at the core of its exploration activities. The Kurnalpi Projects are in an excellent location close to a number of existing gold processing facilities, mining infrastructure and a skilled workforce, so there is the opportunity to potentially fast track the monetisation of even modest sized gold deposits.

A previous review has highlighted the significant exploration value present within the Project, with several areas considered prospective for potential gold mineralisation remaining untested or substantially under-explored. The strategic review focussed not only on the most immediately prospective targets for drilling, but those that warrant earlier stage exploration work in order to develop a significant pipeline of targets.

Four main target areas have been identified for further exploration over the coming 12 months. These areas are Cutler (RGL 100%), Queen Lapage (RGL 80%), Cockeyed Bob North (RGL 100%) and Jaws (RGL 80%). The Company will continue to refine the exploration strategy for these four areas to determine the most efficient way to deploy capital.

Whilst the W.A. assets will remain the core of our exploration strategy, we still believe the Alaskan and South Australian assets have significant exploration potential. The Company will explore ways to generate value from these assets including attracting farm-in partners as an efficient way to progress these projects.

In closing we would like to acknowledge the ongoing support of our Shareholders and other stakeholders and look forward to rebuilding on Riversgold's story.

Riversgold Board

OPERATIONS REPORT

Overview

During the year, Riversgold continued with its exploration programmes both in the Eastern Goldfields of Western Australia, as well as in Southwest Alaska. Work also progressed on planning and permitting for future drilling at the Churchill Dam prospect in South Australia.

Kurnalpi Region Projects, WA

Riversgold has a portfolio of exploration properties in the Eastern Goldfields region of Western Australia, approximately 100km east of Kalgoorlie-Boulder (Figure 1).

The projects are located along major mineralised structures and are in proximity to transport and mining infrastructure but have seen limited and sporadic exploration over recent years, including limited drilling greater than 100m depth.

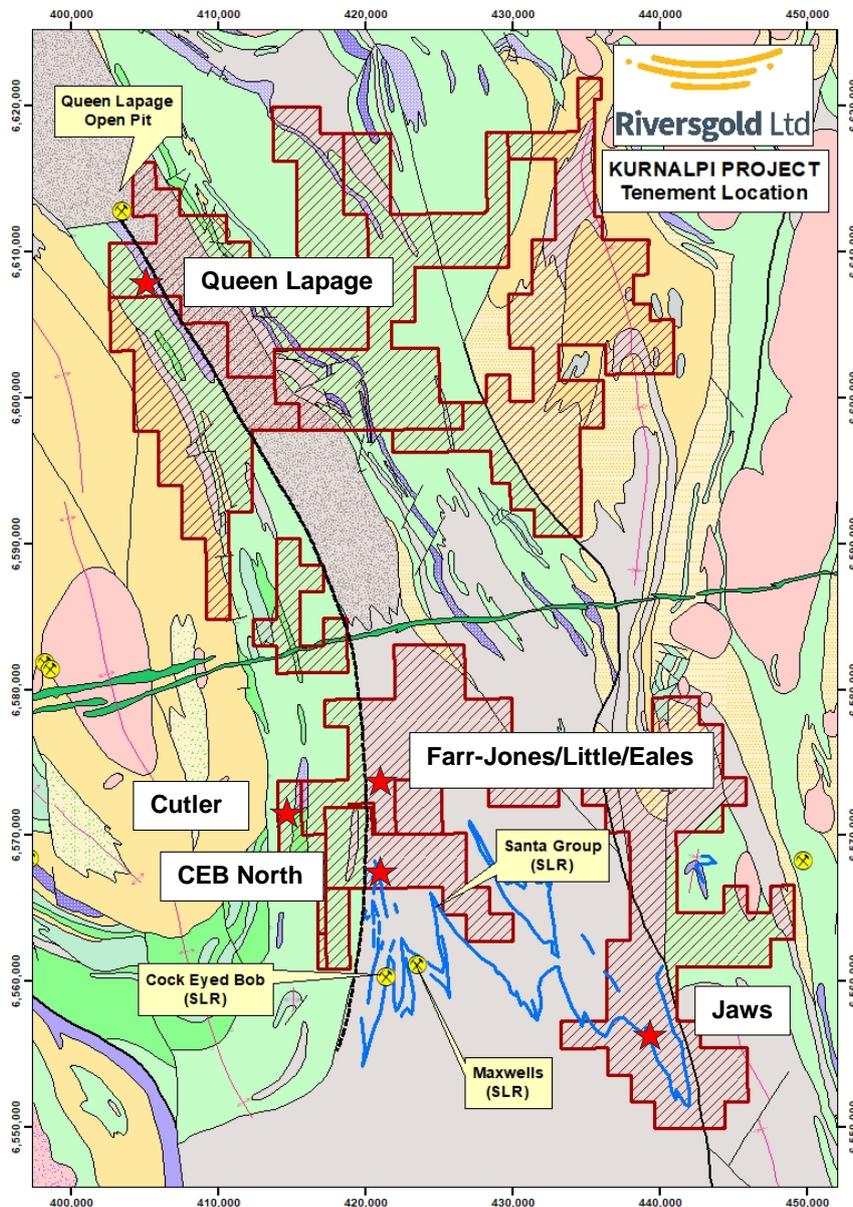


Figure 1. Kurnalpi region projects, showing key targets

Review of Operations

Queen Lapage

The Queen Lapage target is characterised by a 11km long segment of the Randell Fault under the thin sediments of Lake Yindarlgooda. The local geology consists of a NNW trending sequence of mafic and ultramafic rocks juxtaposed against a sedimentary unit along a faulted contact. A series of later NE-trending fault cross-cut both the regional geology and the faulted contact. Historical aircore drilling on islands within the lake, conducted during the late 1990's and early 2000's intersected anomalous gold which appears to be related to the later structures.

The project geology and structural setting appears analogous to the 2 million-ounce Invincible gold deposit within the St Ives gold camp.

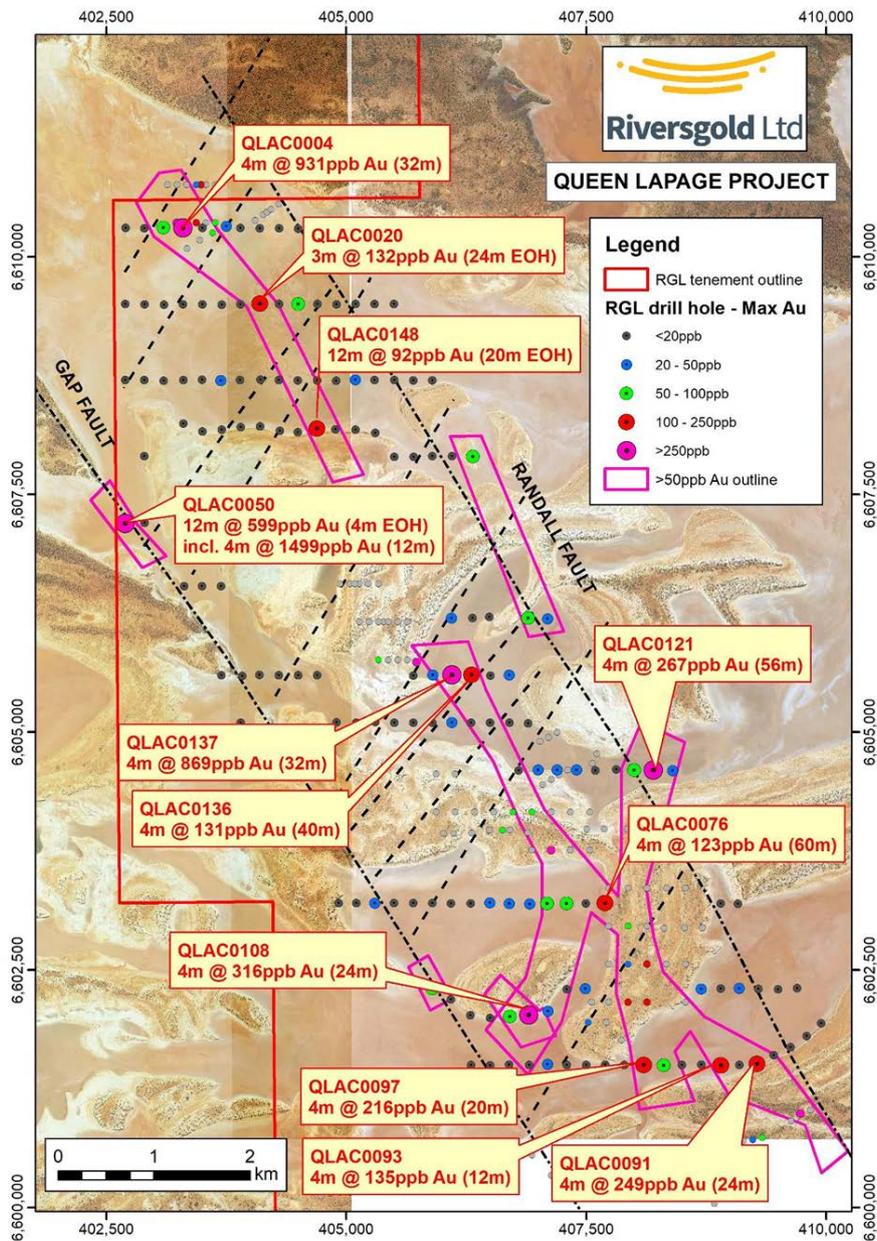


Figure 2. Queen Lapage target, showing results from historic drilling and drilling completed by Riversgold in 2019

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During the year the Company completed the maiden aircore lake drilling campaign at Queen Lapage, which consisted of 156 aircore holes on a nominal 800m x 200m spaced grid. Holes were drilled on the surface of the lake itself using a specialised lake drilling rig. All drill holes are shown in Figure 2.

Combined with the historic drilling previously conducted on islands within the lake, the drilling programme has outlined coherent regolith gold anomalism over approximately 11 kilometres of strike length with several of the anomalies open at depth and in at least one direction. In addition, there is a further five kilometres of the same structure to the south of the lake which has never been drilled.

Drilling results included significant gold mineralisation in a number of holes including (ASX Release 14 February 2019):

- **QLAC0050** – 13m @ 599ppb Au from 4m to EOH, including 4m @ 1,499ppb Au
- **QLAC0004** – 4m @ 931ppb Au from 32m
- **QLAC0020** – 3m @ 132ppb Au from 24m to EOH
- **QLAC0076** – 4m @ 123ppb Au from 60m
- **QLAC0091** – 4m @ 120ppb Au from 12m and 5m @ 215ppb from 24m to EOH
- **QLAC0093** – 4m @ 135ppb Au from 12m
- **QLAC0097** – 4m @ 216ppb Au from 20m
- **QLAC0108** – 4m @ 316ppb Au from 24m
- **QLAC0121** – 4m @ 267ppb Au from 56m
- **QLAC0136** – 4m @ 131ppb Au from 40m
- **QLAC0137** – 4m @ 869ppb Au from 32m
- **QLAC0148** – 12m @ 92ppb Au from 20m, (including 4m @ 107ppb Au from 28m to EOH)

The best result from the programme, **12m @ 599ppb Au** (including 4m @ 1,499ppb Au), came from a relatively shallow hole, QLAC0050, that was drilled adjacent to the “Gap Fault” on the western margin of the project.

Farr-Jones

Farr-Jones is located approximately 15km northeast of Silver Lake Resources’ Randalls processing plant in the Eastern Goldfields region of WA and is one of several targets identified from historical surface geochemical surveys and limited drilling completed during the late 1980’s and early 1990’s.

At Farr-Jones, a single line of drilling completed in 1991-92 tested a strong gold in soil anomaly and intersected easterly dipping gold mineralisation within a black shale unit over a depth extent of approximately 130m. The deepest hole, FJR2, intersected **2m @ 4.71g/t Au** from 143m down hole (ASX Release 6 October 2017).

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During the year, the Company commenced drilling at Farr-Jones. This programme resulted in the discovery of high-grade gold mineralisation in the first two holes drilled at Farr-Jones on sections 100m apart (*ASX Release 2 July 2018*):

- **FJRC0001**
 - **3m @ 17.8g/t Au from 182m, including 1m @ 48.5g/t Au from 183m**
 - 3m @ 2.36g/t Au from 191m, including 1m @ 4.97g/t Au from 192m
 - 1m @ 2.28g/t Au from 197m (EOH)
- **FJRC0002**
 - **4m @ 6.26g/t Au from 119m, including 2m @ 11.94g/t Au from 120m**
 - **2m @ 7.49g/t Au from 130m**

Follow-up RC drilling intersected further gold mineralisation including three zones within a single drill hole (FJRC0010) testing the **North Farr-Jones** soil anomaly for the first time (*ASX Releases dated 17 October and 23 October 2018*).

- **FJRC0010** (North Farr-Jones) –
 - **1m @ 4.20g/t Au** from 77m,
 - 2m @ 1.55g/t Au from 90m, including **1m @ 2.54g/t Au from 91m**, and
 - 2m @ 1.67g/t Au from 130m, including **1m @ 2.95g/t Au** from 130m.
- **FJRC0012** –
 - **1m @ 2.85g/t Au** from 138m,
 - **1m @ 2.85g/t Au** from 153m and
 - 5m @ 0.78g/t Au from 168m, including **1m @ 2.28g/t Au** from 168m.

The significant results from RC drilling during the year are illustrated in Figure 3.

As a result of the drilling, Riversgold conducted further soil sampling programmes which highlighted multiple new gold anomalies along a 2.5km long corridor stretching north from the Farr-Jones target to the newly named “Eales” and “Little” targets. The soil anomalism remains open to the north and south at this stage.

The Company subsequently conducted several aircore traverses across this 2.5km long anomalous corridor testing these new targets for the first time, along with the untested Horan soil anomaly which is located in a second anomalous corridor further to the east.

Drilling returned significant gold results from several holes, including from the first holes drilled at the new “Eales” and “Little” Targets.

Highlights of the aircore drilling include (*ASX Release 16 January 2019*):

- **FJAC0021 – 12m @ 1,904ppb Au** from 36m, including **8m @ 2,818ppb Au** (Little)
- **FJAC0012 – 4m @ 1,026ppb Au** from 56m (Eales)
- **FJAC0007 – 12m @ 1,174ppb Au** from 84m, including **8m @ 1,732ppb Au** (North Farr-Jones)

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Resampling of 1m samples and analysis by fire assay upgraded the aircore intersections at the Farr-Jones and Eales prospects as follows (*ASX Release 21 February 2019 and 16 May 2019*) (see Figure 4):

- **FJAC0002 (Farr-Jones)**
 - 4m @ 0.73g/t Au from 49m (including **1m @ 1.49g/t Au**)
 - 2m @ 1.42g/t Au from 58m (including **1m @ 2.15g/t Au**)
- **FJAC0007 (North Farr-Jones)**
 - 1m @ 1.76g/t Au from 45m
 - 6m @ 2.03g/t Au from 85m (including **1m @ 6.72g/t Au and 1m @ 2.8g/t Au**)
- **FJAC0012 (Eales)**
 - 3m @ 1.92g/t Au from 56m (including **1m @ 3.04g/t Au**)
- **FJAC0015 (Eales)**
 - 4m @ 1.11g/t Au from 39m (including **1m @ 3.02g/t Au**)
- **FJAC0021 (Little)**
 - 12m @ 1.4g/t Au from 32m (including **8m @ 2.04g/t Au**)

During the year, the Company also applied for three new 100%-owned Exploration Licences and three new 100%-owned Prospecting Licences over areas adjacent to the Farr-Jones and Cutler targets which had become vacant.

Review of Operations

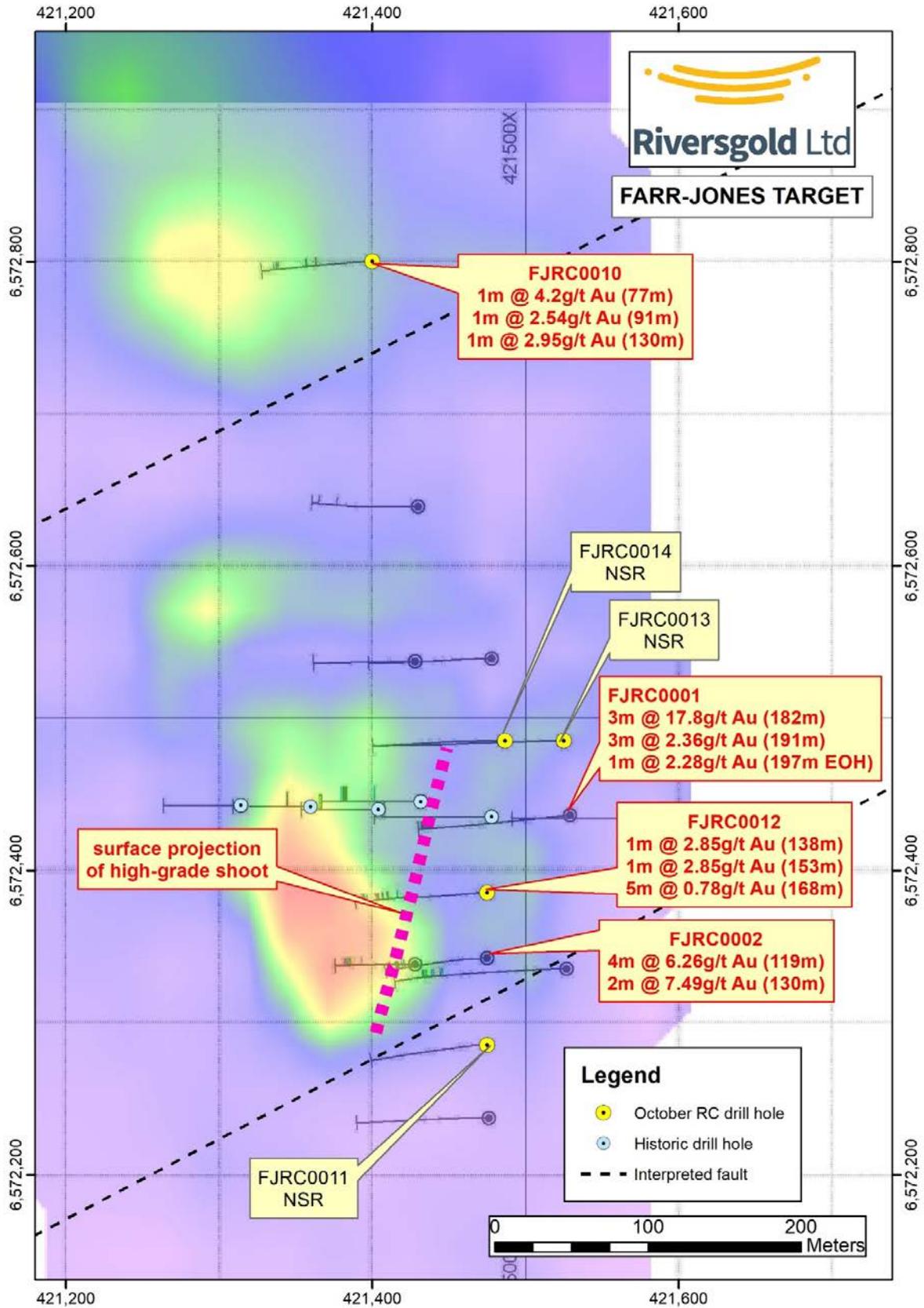


Figure 3. Farr-Jones target showing RC drilling results over soil anomalism

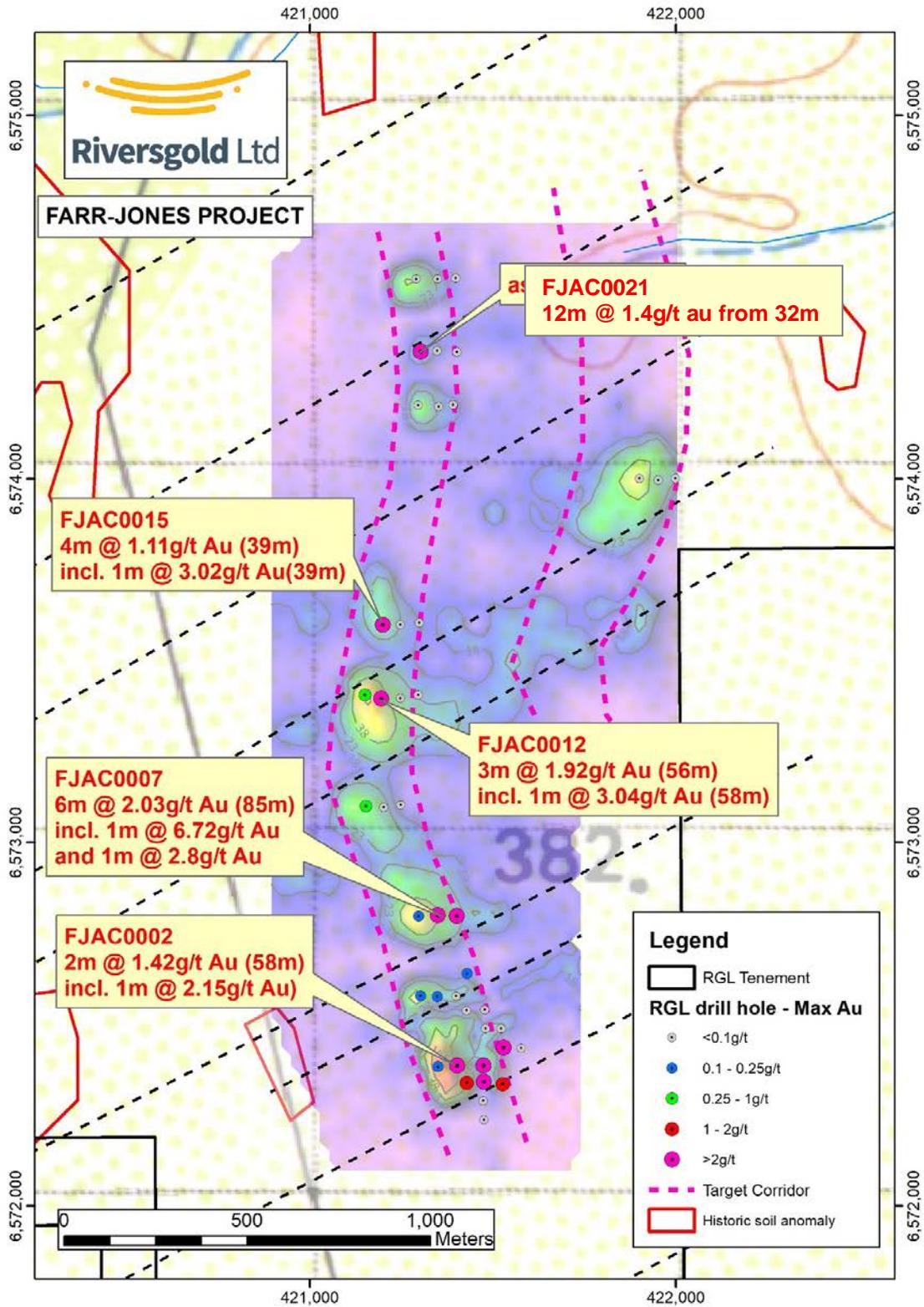


Figure 4. Farr-Jones aircore drilling results over soil anomalism

Review of Operations

Cutler

The Cutler prospect is located approximately 15km northeast of Silver Lake Resources' Randalls processing plant in the Eastern Goldfields region of WA and is one of several targets identified from historical surface geochemical surveys completed during the late 1980's – early 1990's.

During the year, a second drill programme was completed at Cutler comprising a further six RC holes (Figure 5).

Highlights from the second drilling campaign included (*ASX Release 25 July 2018*):

- **CURC0013** - 2m @ 1.06g/t Au, 1m @ 4.63g/t Au, 3m @ 1.29g/t Au and **10m @ 0.85g/t Au**, including 3m @ 1.44g/t Au (Figure6)
- **CURC0014** - **1m @ 62.9g/t Au from 129m** and **3m @ 2.19g/t Au from 145m**.
- **CURC0016** - **5m @ 0.88g/t Au** from 107m, including 2m @ 1.53g/t Au from 110m.

This high-grade intersection in **CURC0014** is from one of the deepest holes drilled at Cutler to date and is at the northern edge of the current drill programme.

Compilation of the drilling completed to date shows a horizontal zone of oxide mineralisation above the basement structure where the gold mineralisation appears to have a moderate northerly plunge meaning the mineralisation potentially remains open to the north of hole CURC0014.

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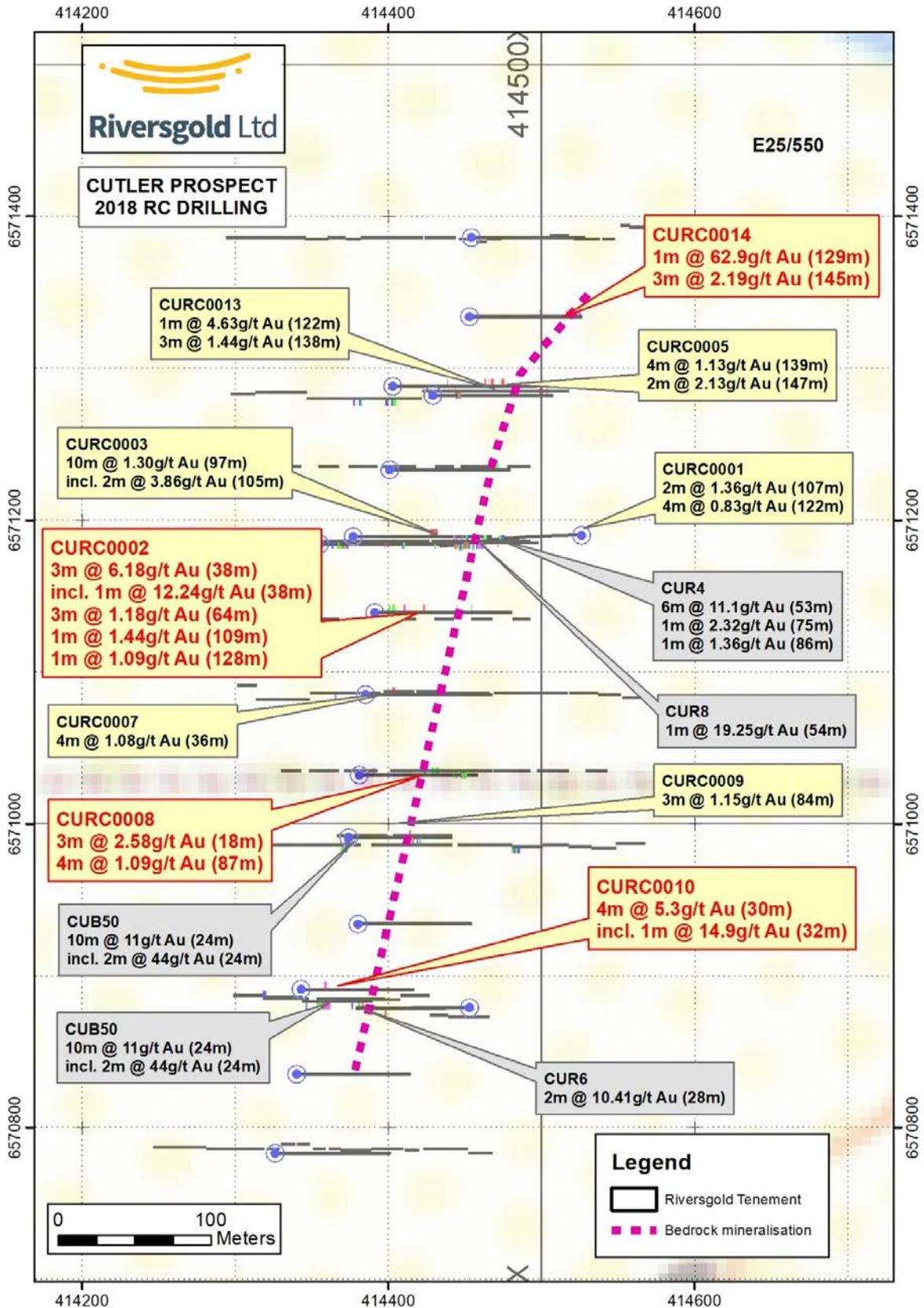


Figure 5. Cutler target showing historic and recent drilling results

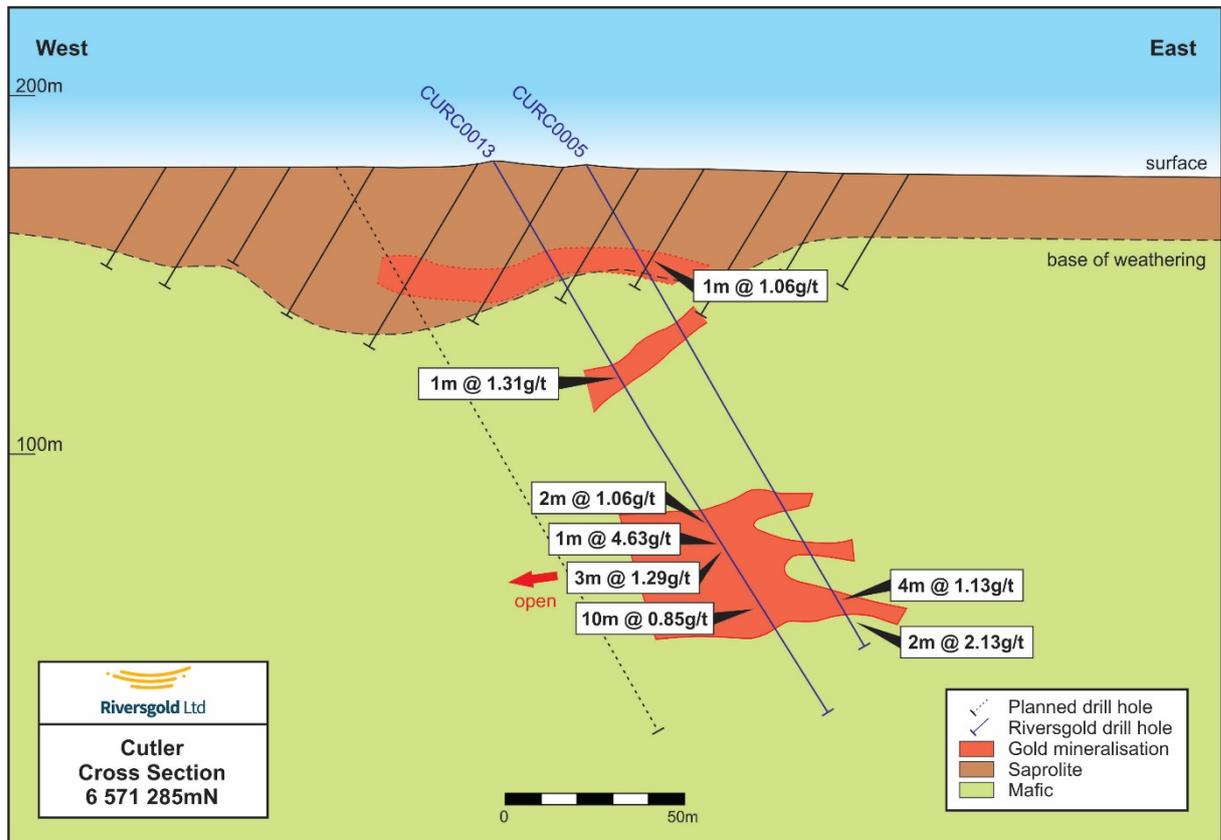


Figure 6. Cutler cross section 6571285mN

Yilgani

The Yilgani project consists of two exploration licences located covering approximately 25km of strike of the “Yilgani Shear Zone”, a major mineralised structure which hosts the Carosue Dam and Pinnacles gold deposits, further to the north. The local geology of the Yilgani project is interpreted to represent the folded repetition of the Lake Roe Greenstone Belt, which hosts the Lake Roe/Bombora gold deposit.

During the year, the Company completed a review of exploration results and elected to withdraw from the Joint Venture over the project.

Kurnalpi South

The Kurnalpi South Project is located south of the Trans-Australia railway line, approximately 100km east of Kalgoorlie-Boulder in the Eastern Goldfields of Western Australia and has seen limited and sporadic exploration with minimal drilling, despite the presence of major regional structures and a number of surface geochemical and/or auger gold anomalies.

The underlying geology is dominated by Archaean meta-sedimentary rocks, however regional geophysical data suggests the presence of buried mafic rocks which are potentially more prospective for gold mineralisation.

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During the year, Riversgold conducted a strategic review of the Kurnalpi South Project including the gravity survey conducted in the previous financial year. As a result of this review, Riversgold elected to withdraw from the JV with Serendipity Resources Pty Ltd over two of the Kurnalpi South tenements (E28/2581 and E28/2582) and transferred its 80% interest in those tenements back to Serendipity under the terms of the JV agreement.

Riversgold retains its 80% interest in the Jaws tenement (E25/539) which contains a folded banded iron formation which hosts gold mineralisation elsewhere at the Maxwells, Cockeyed Bob and Santa deposits, currently being mined by Silver Lake Resources Limited.

South Australia

The Company has two 100% owned projects in the Olympic Copper-Gold Province of South Australia and is exploring for a large iron-oxide copper-gold deposit, such as Olympic Dam, Prominent Hill or Carrapateena.

Churchill Dam

The Churchill Dam Iron Oxide Copper-Gold (IOCG) prospect is located in the Olympic Copper-Gold Province, approximately 90km SW of the giant Olympic Dam Cu-Au-Ag-U-REE deposit and 60km west of the Carrapateena and Khamsin IOCG deposits.

Churchill Dam is characterised by a large gravity anomaly partially coincident with a large magnetic anomaly and appears to be bisected by a NNW trending structure (Figure 7).

The prospect was previously tested with three diamond holes which intersected brecciated and hematite-altered Gawler Range Volcanics with anomalous Cu, Au, U and REE's, but did not test the highest amplitude part of the gravity anomaly. Notably, the nearby Acropolis IOCG deposit is also hosted in altered Gawler Range Volcanics.

During the year, Riversgold received regulatory approvals for diamond drill testing of a discrete residual gravity anomaly, coincident with anomalism from partial and selective leach soil analysis. The thickness of the cover sequence rocks intersected in the previous holes decreased towards the west and is predicted to be in the order of 500m for the proposed hole (Figure 8). Following receipt of these approvals, a large heritage survey was conducted with the Traditional Owners of the area, clearing the propose drilling areas. Riversgold is now able to complete drill testing of the target area durin gthe netx field season.

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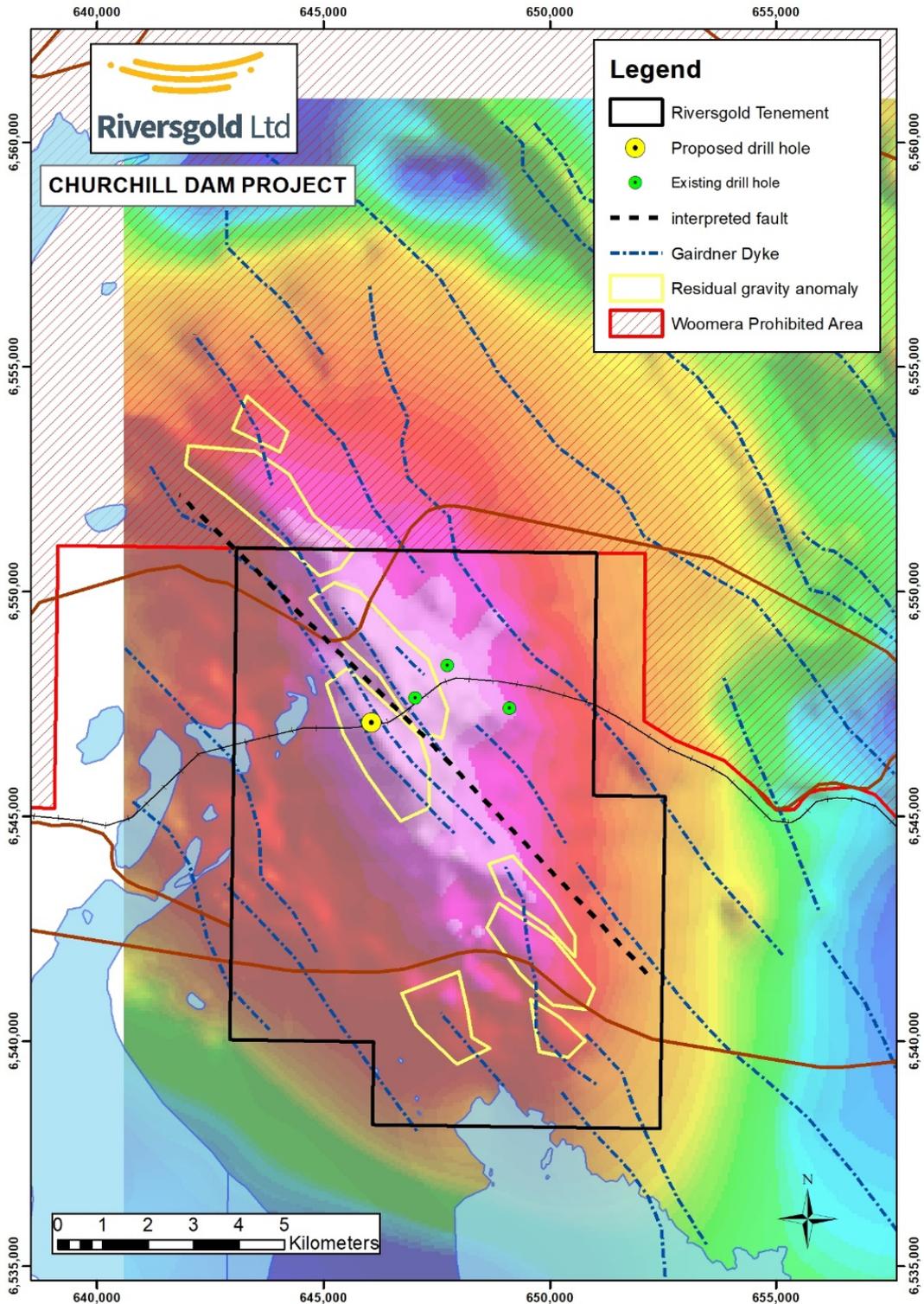


Figure 7. Churchill Dam IOCG project showing proposed drill hole

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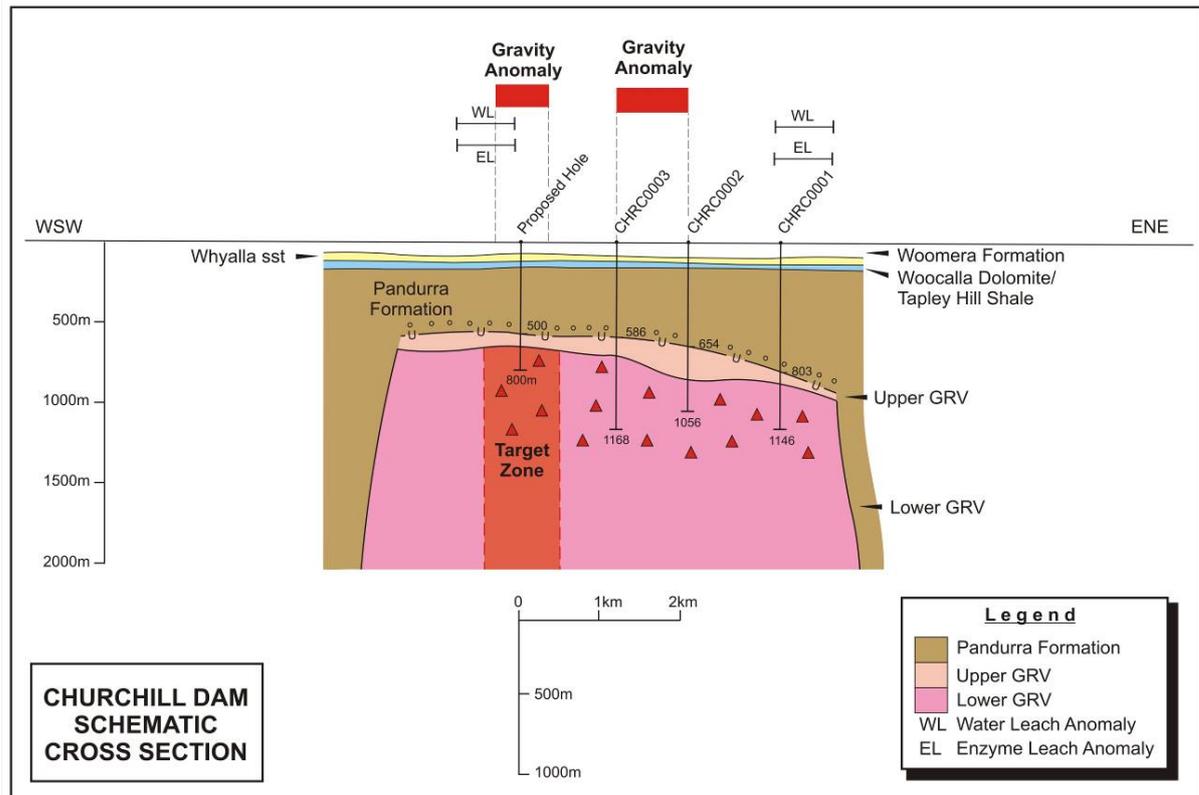


Figure 8. Schematic cross section of Churchill Dam prospect

Southwest Alaska, USA

Riversgold, through its subsidiary Afranex (Alaska) Limited, has a portfolio of 100%-owned projects in the world-class Tintina Gold Province of southwest Alaska, USA.

The Company is exploring for a large intrusion-related gold (IRG) deposit such as the giant 45 million-ounce Donlin Creek gold deposit approximately 150km north of the Company's projects.

The Company's focus is on several prospects along the North Fork Fault, a major regional structure which hosts at least six occurrences of outcropping high-grade gold mineralisation over almost 40km of strike.

During the year, the Company completed its first Alaskan field season since listing on the ASX, which included geochemical and geophysical surveys over several targets along with diamond drilling at the Luna, Luna East and Quicksilver targets.

Highlights of the field work completed during the year included:

- Completion of an Induced Polarisation (IP) Survey at Luna and Luna East, which identified several chargeability and/or resistivity anomalies for future drill testing.
- Rock chip and soil sampling at Quicksilver which identified multiple outcropping massive arsenopyrite veins averaging 8g/t Au and several large Au-As-Bi-Cu-Sb soil anomalies with gold results up to 2.58g/t Au.

Review of Operations

- Rock chip and soil sampling at Gemuk, which increased the strike of high-grade gold mineralisation to at least 2km along the Pluton Fault and outlined a new 400m long Au-As-Sb soil anomaly with assay results up to 1.27g/t Au.
- Rock chip sampling at Kisa, which returned several high-grade gold results, up to 12.15g/t Au from a series of mineralised quartz feldspar porphyry dykes within the “Golden Dyke” prospect.
- Staking of new mining claims over high-grade gold mineralisation discovered at Midway Hill, after rock chip sampling returned several high-grade results up to 11.65g/t Au from outcropping epithermal quartz veins.
- Completion of three diamond holes at Luna, Luna East and Quicksilver, which intersected anomalous Au, Ag and As beneath mineralised outcrop.

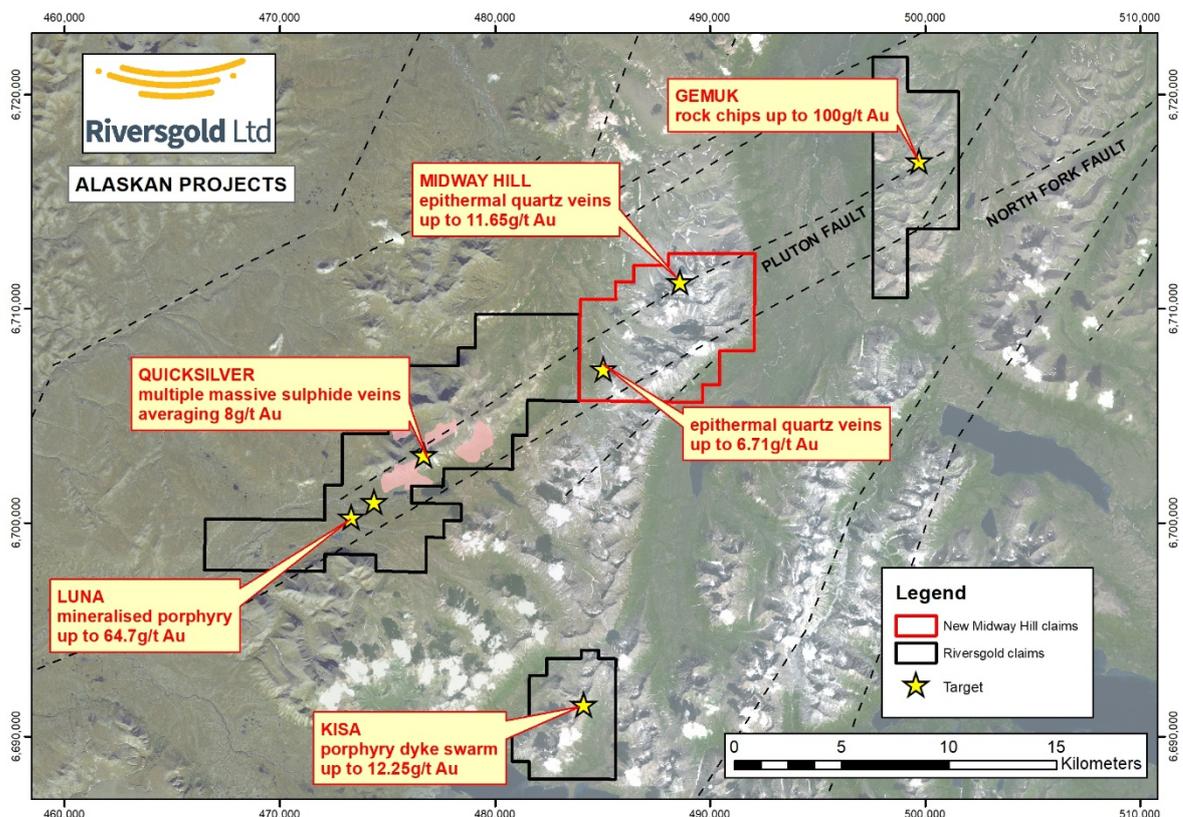


Figure 9. Riversgold’s Alaskan Projects, showing high priority targets

Luna/Quicksilver

Induced-Polarisation Survey

The Company completed an Induced Polarisation (IP) survey over the Luna and Luna East targets with the aim of refining drill targets. The pole-dipole IP survey was conducted by Aurora Geosciences and consisted of a number of 400m spaced lines, oriented at 90 degrees to the main regional structures. Stations were spaced at 50m intervals along the lines.

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A number of additional E-W oriented lines were also completed, following identification of at least two N-S trending structures in the airborne and ground magnetic datasets which appeared to correlate with known mineralisation at Luna and Luna East (Figure 10).

The data show a number of features that appear to correlate with structures interpreted from previously collected magnetic data, including two high chargeability responses that appear to be associated with interpreted N-S trending structures observed at Luna and Luna East.

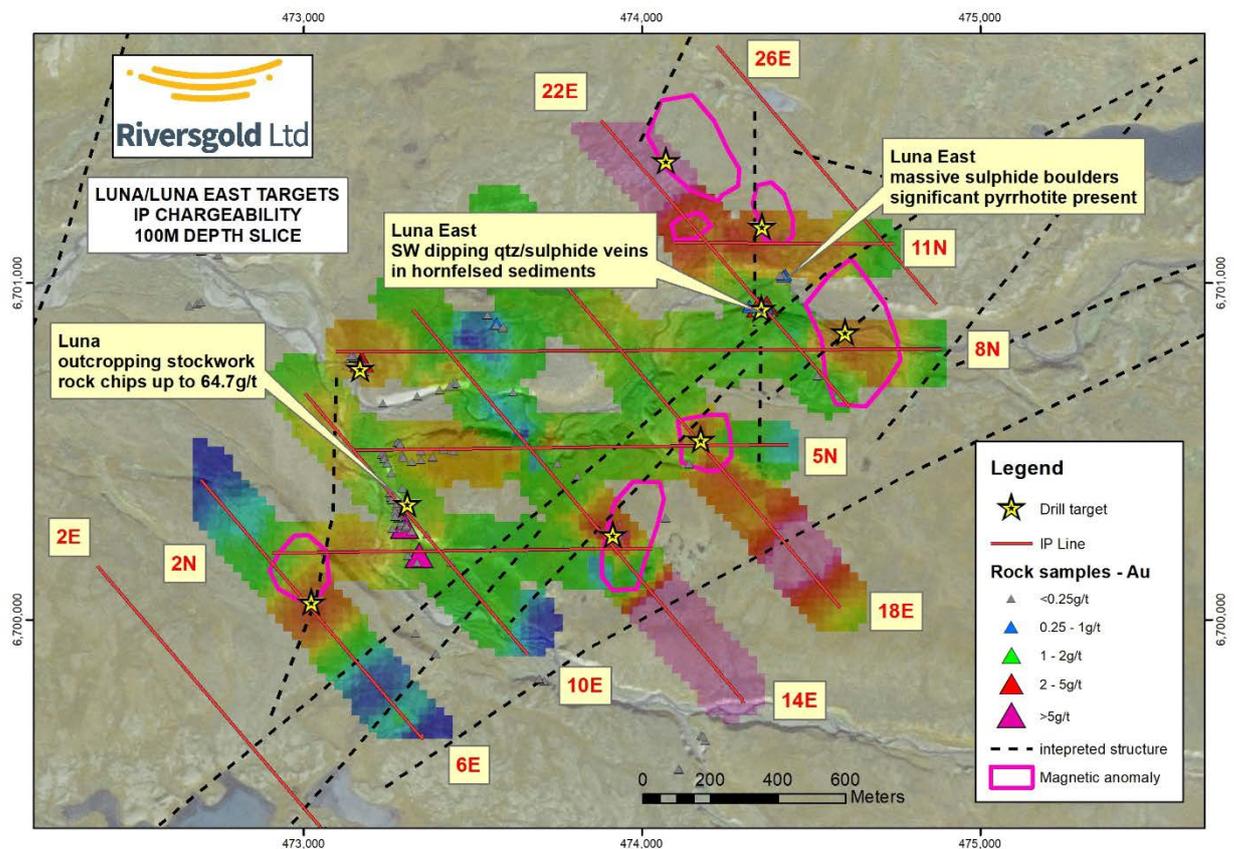


Figure 10. Luna prospect IP chargeability (100m depth slice) in relation to known mineralisation, interpreted structures and magnetic anomalies

Rock Chip Sampling

Rock chip sampling carried out during the year returned several high-grade gold results from multiple massive arsenopyrite veins identified at the main Quicksilver target (Figure 11).

Sampling outlined a N-S striking massive arsenopyrite vein which returned multiple high gold grade results in the range of **5.85g/t Au** to **10.4g/t Au** over 150m of strike. A parallel vein was sampled approximately 35m to the east and returned a result of **7.86g/t Au**.

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A newly identified outcropping vein 300m to the east along the ridgeline returned a high-grade gold result of **8.99g/t Au** whilst historical sampling of an outcropping sulphide vein 140m down slope to the southeast previously returned similar tenor gold results averaging **8.7g/t Au** from two samples.

When combined with historical sampling, the area of high-grade gold mineralisation associated with the massive sulphide veins now covers approximately 1km x 0.5km.

Recent soil sampling also shows a 200m long zone of anomalous Au in soils on the ridgeline immediately east of the outcropping veins that has no rock chip samples taken within it.

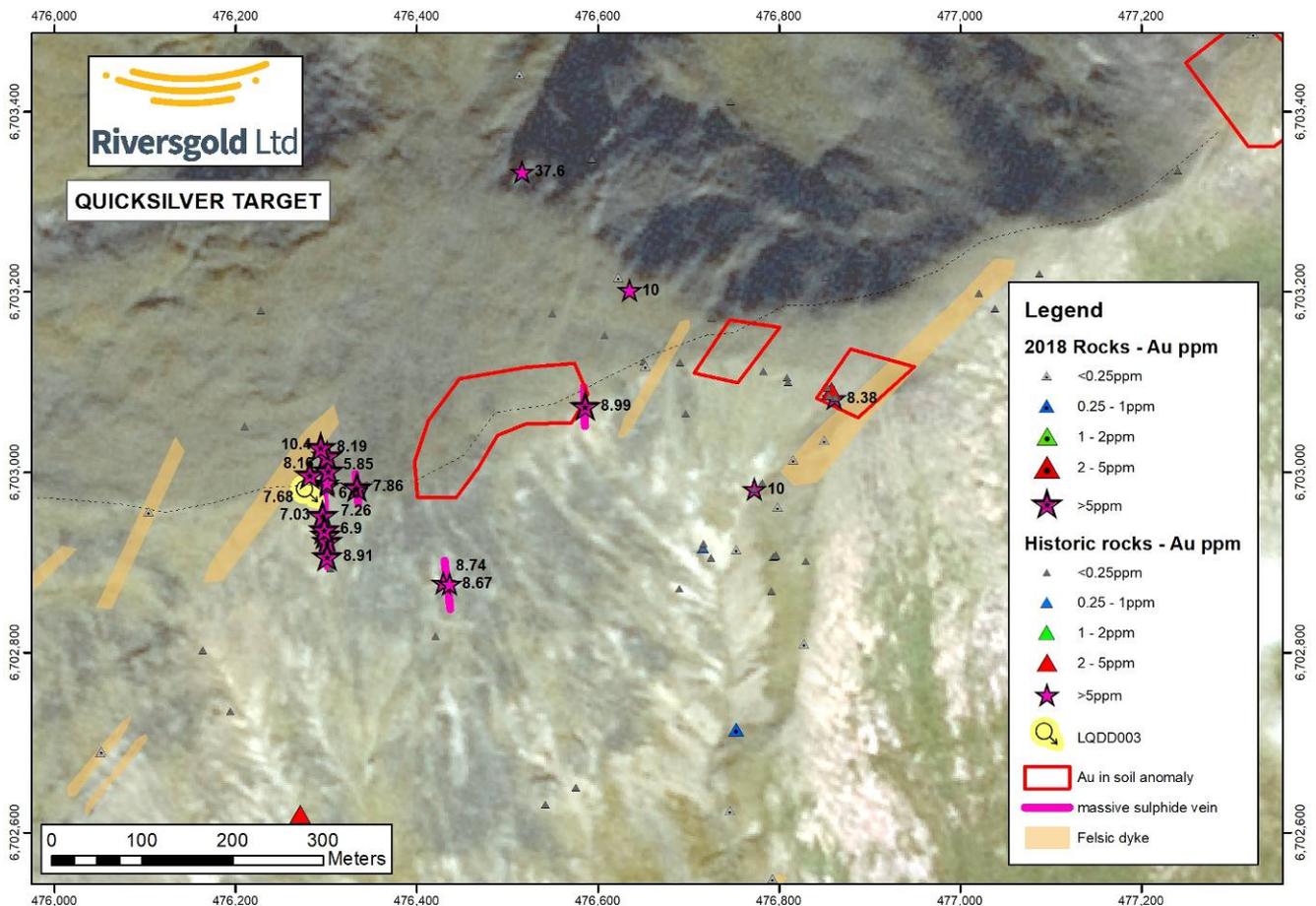


Figure 11. Quicksilver target showing recent high-grade rock chip results from massive arsenopyrite veins in relation to previous sampling and drill hole LQDD003

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Soil Sampling

A total of 368 soil samples were taken at Quicksilver with the -180um fraction analysed for low-level gold and a suite of major and trace elements (Figure 12).

The results show a new 600m long soil geochemical anomaly, approximately 1.5km north east of the main Quicksilver target, outlined by Au values >45ppb with As values >200ppm and with a peak gold value of **1335ppb Au** (ie **1.33g/t Au**).

The highest result from the soil survey, **2580ppb Au** (ie **2.58g/t Au**), came from a single sample approximately 1km west of the main Quicksilver target.

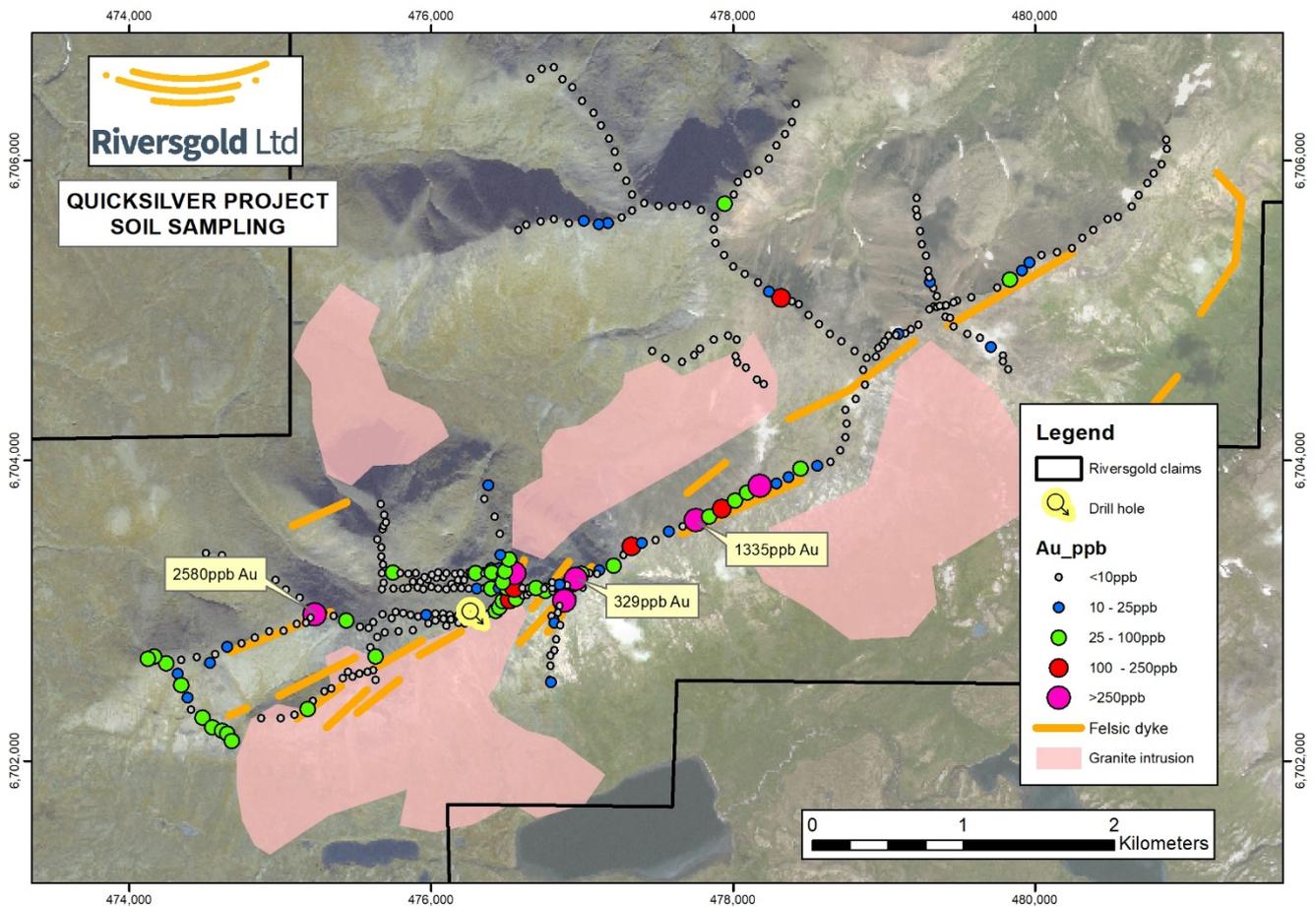


Figure 12. Quicksilver target, showing soil sampling results in relation to LQDD003

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Drilling

During the year, the company carried out its first drilling programme at the Alaskan Project. The programme was hampered by poor weather and mechanical issues with the heli-portable drill rig. As a result, only three holes were completed, testing beneath outcropping mineralisation at Luna, Luna East and Quicksilver.

LQDD001 was sited to test beneath the main outcrop at Luna, where altered sediments are intruded by quartz feldspar porphyry. The hole intersected variably altered quartz feldspar porphyry over the entire extent of the hole. Numerous quartz veins were also observed.

Assay results showed numerous zones of anomalous Au, Ag and As, with the best result of 13.72m @ 0.27g/t Au from 64 to 77.72m, including 0.76m @ 0.99g/t Au and 2.6g/t Ag.

LQDD002 was drilled to test below an outcrop of hornfelsed sediments with quartz-sulphide veins in a riverbank at Luna East.

The hole intersected black shale intruded by quartz feldspar dykes with coarse arsenopyrite mineralisation. The hole also intersected semi-massive sulphide mineralisation, including pyrite, chalcopyrite and pyrrhotite, similar to that seen in boulders on the other side of the creek (*ASX Release 23 August 2018*).

Assay results showed anomalous Au, Ag and As for samples taken within the porphyry with a best result of 0.76m @ 0.78g/t Au and 7.4g/t Ag with highly anomalous arsenic.

LQDD003 was drilled beneath outcropping massive arsenopyrite veins on the ridgeline at the main Quicksilver target. The hole was sited to intersect the veins at depth as well as testing a NE-trending Au-As soil anomaly on the ridge.

The hole intersected several thin arsenopyrite and colloform banded quartz veins hosted in biotite granite of the North Fork Pluton.

Assay results showed anomalous Au, Ag and As for these thin veins however the gold values were lower than expected given the average grade of the outcropping veins is approximately 8g/t Au.

Gemuk Mountain

The Gemuk Mountain target is located at the north eastern end of the “North Fork Fault” a regional structure which hosts outcropping high-grade gold mineralisation at the Company’s Luna/Quicksilver Prospect (Figure 9).

Riversgold staked a number of 100% owned State of Alaska mining claims over Gemuk in the previous financial year, following up of a number of historical high-grade rock chip results, up to 100g/t Au, within the “Pluton Fault”, a structure parallel to the North Fork Fault (*ASX Release 1 February 2018*).

As part of the fieldwork programmes during the year, the Company conducted systematic rock chip and ridge and spur soil sampling over the prospect, with a focus on the Pluton Fault.

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Rock chip sampling confirmed the high-grade gold and antimony results from sites previously sampled by the US Federal Government in the 1970's and again in 2005. The historic sampling outlined a 1km long zone within the Pluton Fault.

Additional rock-chip sampling conducted further to the southwest along the structure also returned additional high-grade gold results, up to **7.12g/t Au** from quartz veining with varying amounts of arsenopyrite and/or stibnite.

This new sampling extends the strike length of known high-grade mineralisation to approximately 2km along the Pluton Fault, whilst the mineralisation remains open along strike at this stage.

Ridge and spur soil sampling was also completed, outlining a potential second gold target zone south of the Pluton Fault.

A north-south traverse of 100m-spaced samples ended with strongly anomalous gold in sample GMS027, (**1270ppb Au**), along with As > 10,000ppm and 1550ppm Sb.

Further to the northeast, a second highly anomalous soil sample, GMR013, returned a result of 192ppb Au with anomalous As and Sb, at the southeast end of the sample traverse.

The results from these programmes have extended the area of mineralisation along the Pluton Fault to approximately 2km, whilst soil sampling has outlined a potential second zone of mineralisation south of this structure (Figure 13).

While the existing aeromagnetic data spacing is too coarse to make a definitive assessment of the presence of a second structure, anomalous As and Sb suggests a structure may be present linking the two anomalous samples.

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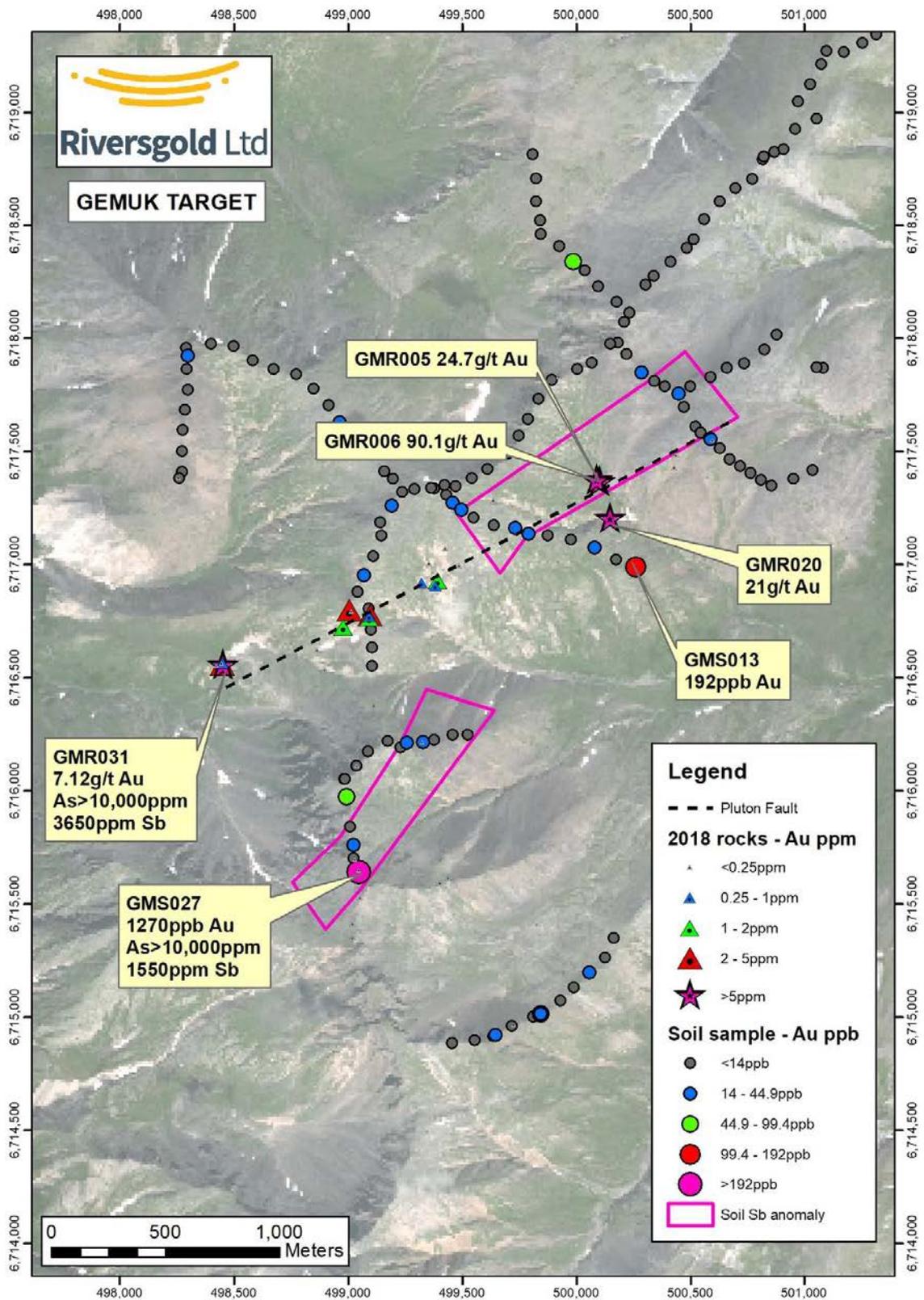


Figure 13. Gemuk Mountain Prospect showing results of rock chip and soil sampling

Midway

During the year, the Company staked a number of new State of Alaska Mining Claims over the “Midway Hill” target (Midway), in southwest Alaska USA, following receipt of multiple new high-grade gold results, up to **11.65g/t Au**, from rock chips collected as part of the 2018 Alaskan fieldwork programme.

Midway is located within the mineralised North Fork Fault, approximately halfway between the Company’s existing Quicksilver and Gemuk Mountain targets (Figure 9). The new claims add to Riversgold’s strategic landholding on the North Fork Fault, with at least six occurrences of high-grade gold mineralisation identified over the almost 40km length of the structure.

Reconnaissance mapping and prospecting at Midway Hill identified numerous outcropping quartz veins (Figures 14 and 15) with sulphide mineralisation and classic epithermal textures.

Analysis returned several high-grade gold results, up to **11.65g/t Au**, with associated Ag, As and Sb.



Figure 14. Outcropping epithermal quartz vein (MWR021 6.43g/t Au)

Review of Operations

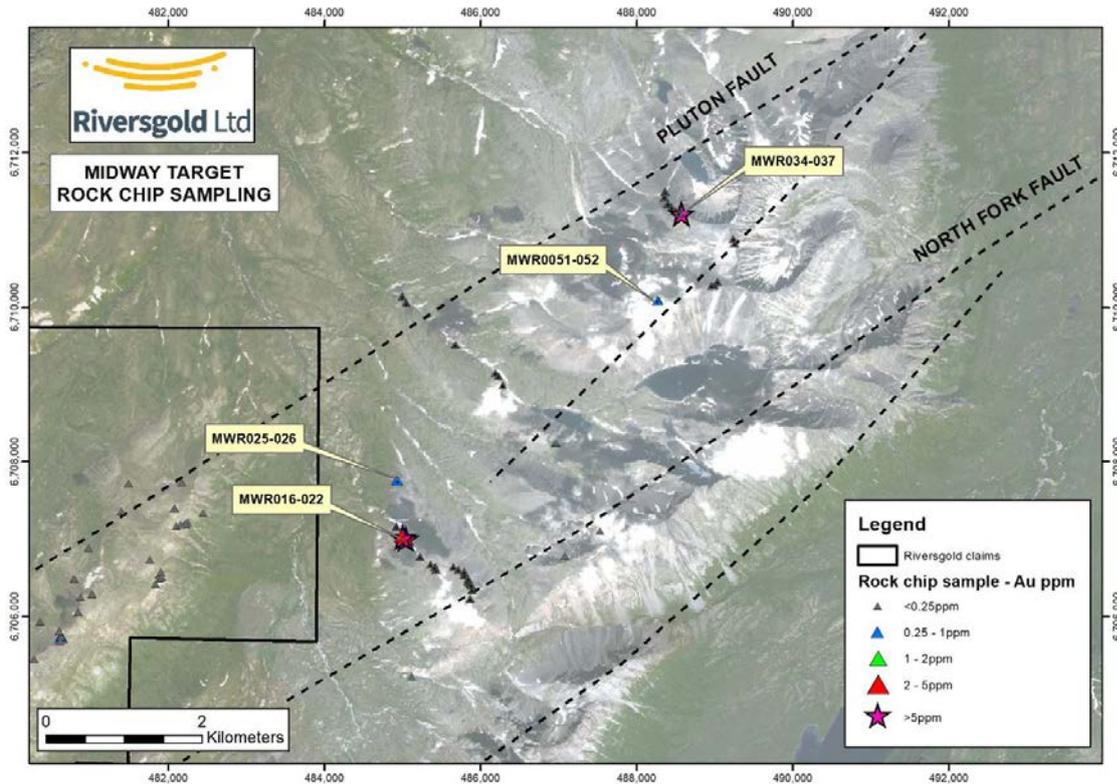


Figure 15. Midway Hill target showing significant rock chip results

Kisa

During the year, the Company received several significant gold results, up to **12.15 g/t Au**, from rock chip sampling conducted over the Company's 100% owned Kisa project, located approximately 15km southeast of the Luna/Quicksilver projects in southwest Alaska, USA.

Following a strategic review of the Company's Alaskan tenure and results received to date, the decision was made to relinquish the Kisa claims.

Cambodia

Riversgold, through its wholly owned subsidiary "Cambodia Gold Pty Ltd", has applications for mineral exploration licences adjacent to the 1 million-ounce Okvau gold deposit in Cambodia.

No progress towards the grant of the tenements was achieved during the year.

Information on historical results, including Table 1 information, is contained in the Independent Geologists Report in the Riversgold Replacement Prospectus dated 11 August 2017 (ASX announcement 6 October 2017).

The Company confirms that it is not aware of any new information or data that materially affects the information in the original market announcements, and that the form and context in which the Competent Persons findings are presented have not been materially modified from the original market announcements.

Riversgold Limited
ABN 64 617 614 598

Directors' Report

The Directors present their report on Riversgold Limited (the Company) and the entities it controlled (the Group) for the year ended 30 June 2019.

Directors

The names of Directors who held office during or since the end of the year and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Roderick Webster - FAusIMM FAICD

Non-executive Chairman

Mr Roderick Webster is a mining engineer (University of Sydney) with over 40 years of experience in the resources industry including more than 16 years as CEO of publicly listed companies. He is currently a non-executive Director of Finders Resources Ltd, an ASX listed copper producer with operations in Indonesia. In the last 3 years he has held non-exec directorships with Pembridge Resources Plc (LSX), Coro Mining Corp (TSX) and Weatherly International Plc (AIM).

From 2005 to 2015 Mr Webster was a founding Director and CEO of Weatherly, a company engaged in copper mining and smelting in Namibia. Between 2001 and 2005 Mr Webster was a senior executive with First Quantum Minerals Ltd, a Canadian listed company developing copper mines in Zambia and Mauritania. Mr Webster was also the founding Director and CEO of Western Metals Ltd, a major Australian base metals producer during which time he served on the executive committee of the International Zinc Association. Earlier in his career Mr Webster held management positions with Homestake Gold of Australia Ltd and BHP Minerals Ltd.

Mr Webster is a Fellow of both the Australian Institute of Mining and Metallurgy and the Australian Institute of Company Directors.

Justin Boylson

Executive Director – Appointed 28 August 2019

Mr Justin Boylson is an experienced commodity trader and resource project manager with over 25 years' experience. He has an extensive resource and commodity-based knowledge of Australia, South East and North Asia and their markets. Mr Boylson commenced his career in the international trade and commodity markets after time in the Australian Army. He worked for Brickworks Limited in various senior managerial positions including Regional Export Manager, Project Manager (WA) and Regional Director (Middle East). Mr Boylson joined Sinosteel Australia Pty Ltd in 2006 where he was responsible for the day to day running of the trade desk. In 2008 he joined Tennant Metals as its Western Australia and Bulk Commodity General Manager. Mr Boylson was responsible for several high profile off-take transactions and was also involved in the start-up of several mining and recovery projects in Australia, the USA and Asia. Mr Boylson joined ResCap Investments as a Director in 2014 and remains a Director of Manuka Resources and Mt Boppy Resources.

During the last 3 years, Mr Boylson has not been a director of any listed companies.

Michael Davy – Bcom (Acc)

Non-executive Director – Appointed 28 August 2019

Mr Michael Davy is an Australian executive and Accountant with over 16 years' experience across a range of industries. His last major role was Financial Controller of Songa Offshore (listed Norwegian Oil and Gas drilling company acquired by Transocean Ltd [NYSE: RIG] in January 2018), where Michael managed the finance function and team for the Australian operations. Prior to that, Mr Davy worked in London for other large organisations in the finance department. He is currently a director and owner of a number of successful private businesses, which are all run under management. During the past five years, Mr Davy has held directorships in several ASX listed companies and is currently also a Non-Executive Chairman of Raiden Resources Ltd (ASX: RDN). He has also been a director of Aus Asia Minerals Limited (ceased 18 March 2019), Jadar Lithium Limited (resigned 15 April 2019) and Dotz Nano Limited (resigned 31 October 2016)

During the last 3 years, Mr Davy has not been a director of any other listed companies other than as stated above.

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Directors' Report

Directors (continued)

Simon Andrew – B Science (Chemistry) Hons
Non-executive Director – Appointed 28 August 2019

Simon has over 20 years' experience in financial markets in Asia and Australia. Previously he has held senior management positions at various global investment banks. These roles included leading the equity sales desk for BNP Paribas for the ASEAN region and heading the Refining and Petrochemicals sector research team at Deutsche Bank in Asia. Upon returning to Perth in 2012, Mr. Andrew spent 5 year as a research analyst at Hartley's covering the oil and gas and industrials sectors.

Mr Andrew was a founding director of Emmerson Resources (ERM:ASX) and spent 8 years as a Non-Executive Director. He was responsible for securing the financing for the purchase of the Tennant Creek assets for Emmerson and arranging the IPO in 2007.

Mr. Andrew is currently the Managing Director of Hylea Metals (HCO: ASX). Hylea recently entered into an agreement to acquire the Kayelekera uranium mine in Malawi.

During the last 3 years, Mr Andrew has not been a director of any other listed companies other than as stated above.

Aaron Colleran – B.Comm, B.Eng
Independent Non-executive Director – Appointed 1 February 2019; Resigned 28 August 2019

Originally an exploration geologist with commercial tertiary qualifications, Mr Colleran has had a distinguished career in the resources-related finance industry. He has over 20 years' experience in mining finance and corporate advice, and has led a range of successful corporate transactions.

Other than current directorships with AIC Resources Limited and Kidman Resources Limited, Mr Colleran has not been a director of any other listed companies within the last 3 years.

Kevin Hart – B.Comm, FCA
Company Secretary
Non-executive Director - Appointed 26 March 2019; Resigned 28 August 2019

Mr Hart is a Chartered Accountant with over 30 years' experience in accounting and the management and administration of public listed entities in the mining and exploration industry.

He is currently a partner in an advisory firm, Endeavour Corporate, which specialises in the provision of company secretarial and accounting services to ASX listed entities.

Allan Kelly - BSc(Hons), Grad Cert Bus, FAAG MAIG
Managing Director – Resigned 26 March 2019

Allan Kelly is a geologist with over 25 years' experience in mineral exploration, project development and gold production. In 2009, Mr Kelly founded Doray Minerals Ltd (ASX), and was a director of Doray until his resignation on 16 December 2016. Mr Kelly was a Non-Executive Director of Alloy Resources Ltd (ASX) until 1 May 2019.

During the last 3 years, Mr Kelly has not been a director of any other listed companies other than as stated above.

Jeffrey Foster - MAusIMM
Non-executive Director – Resigned 31 March 2019

Mr Foster is a geologist with over thirty years' international experience in mineral exploration and project development. He was a founding Director and Executive Director with Sirius Resources NL, a highly successful ASX200 listed company to its acquisition by Independence Group NL.

Mr Foster has held roles with S2 Resources, Sirius Resources NL, GeoDiscovery, BHP - New Business Development, Western Mining Corporation - Exploration Division and Kambalda Nickel Operations.

During the last 3 years, Mr Foster has not been a director of any other listed companies other than as stated above.

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Directors' Report

Directors' Interests

As at the date of this report the Directors' interests in shares and unlisted options of the Company are as follows:

<i>Director</i>	<i>Directors' Interests in Ordinary Shares</i>	<i>Directors' Interests in Unlisted Options</i>	<i>Options vested at the reporting date</i>
R Webster	1,487,500	1,000,000	-
J Boylson	-	-	-
M Davy	-	-	-
S Andrew	-	-	-

Included in the Directors' interests is Unlisted Options. There are no options that are vested and exercisable as at the date of signing this report.

Directors' Meetings

The number of meetings of the Company's Directors held during the year ended 30 June 2019, and the number of meetings attended by each Director are as follows:

<i>Director</i>	<i>Board of Directors' Meetings</i>	
	<i>Held</i>	<i>Attended</i>
R Webster	7	7
A Kelly	5	5
J Foster	5	5
A Colleran	3	3
K Hart	2	2

Principal Activities

The principal activity of the Group during the financial year consisted of mineral exploration in respects of its gold projects in Australia and Alaska.

Results of Operations

The consolidated loss after income tax for the financial year was \$3,856,352 (2018: \$7,387,689) and includes a write down and impairment of exploration expenditure of \$2,810,741. Expensed in the prior year's consolidated loss is approximately \$6.4m of costs incurred on the acquisition of Cambodia Gold Pty Ltd.

Review of Activities

Exploration

Exploration activities during the financial year have been primarily focussed on the Group's gold projects in the Eastern Goldfields of Western Australia the Tintina Gold Province in southwest Alaska, USA.

In Western Australia, drilling campaigns were completed during the year at the Farr-Jones, Queen Lapage and Cutler prospects within the Kurnalpi Project. At the Cutler prospect, drilling returned several encouraging narrow, high-grade gold intersections. Drilling beneath the lake sediments at the Queen Lapage prospect has delineated a large scale gold anomaly within a package of highly prospective host rocks, indicating the potential presence of a large scale gold mineralised system. In addition, the Kurnalpi Project landholding was rationalised, with Riversgold withdrawing from several joint venture tenements, and applying for several new tenements in the vicinity of the Cutler and Farr-Jones prospects.

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Directors' Report

Review of Activities (continued)

The Group completed its first Alaskan field season targeting large scale Intrusive-Related Gold deposits (IRG). Work completed included geochemical and geophysical surveys over several targets along with the diamond drilling at the Luna, Luna East and Quicksilver targets. Drilling at Luna was successful in intersecting a mineralised porphyry unit over several broad intersections. In addition, the Group staked a number of new State of Alaska Mining Claims over the Midway Hill target following receipt of multiple new high-grade gold results from rock chips collected as part of the 2018 Alaskan fieldwork programme.

In South Australia, preparatory work was undertaken to enable strategic drilling of a large scale Iron Oxide Copper-Gold (IOCG) target at the Churchill Dam prospect, including heritage surveys of prospective drill sites and obtaining of required regulatory approvals.

Financial Position

At the end of the financial year the Group had \$406,597 (2018: \$2,895,471) in cash and at call deposits. During the year \$100,000 was received from the issue of convertible notes. Capitalised mineral exploration and evaluation expenditure at 30 June 2019 was \$4,515,447 (30 June 2018: \$4,667,898) which included write downs and impairment charges of capitalised exploration of \$2,810,741.

Significant Changes in the State of Affairs

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

Options over Unissued Capital

Unlisted Options

During the financial year, the Company issued 370,000 unlisted options under the Company's Incentive Option Plan of which 250,000 subsequently lapsed. As at the date of this report 22,320,000 unissued ordinary shares of the Company are under option as follows:

<i>Number of Options Granted</i>	<i>Exercise Price</i>	<i>Expiry Date</i>
3,000,000 ¹	20 cents	15 May 2022
18,750,000 ²	20 cents	10 October 2020
450,000 ³	20 cents	19 March 2020
120,000 ⁴	9 cents	28 February 2023

¹ Options are subject to a restriction period of 24 months from 10 October 2017, the date the Company commenced trading on ASX.

² Options are subject to ASX imposed restriction periods of either 12 months from date of issue or 24 months from date of quotation. These options will vest and be exercisable at the end of the restriction period.

³ Options have vested and are exercisable at the date of this report.

⁴ Options have not vested at the date of this report.

During, or since the end of the financial year, no ordinary shares have been issued on the exercise of options.

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Directors' Report

No options have been issued, vested or exercised between the end of the financial year and the date of this report.

Options do not entitle the holder to participate in any share issue of the Company or any other body corporate.

The holders of unlisted options are not entitled to any voting rights until the options are exercised into ordinary shares.

Issued Capital

<i>Number of Shares on Issue</i>		
	2019	2018
Ordinary fully paid shares	101,181,543	83,214,935

During the financial year the Company issued 16,599,944 placement shares and 1,366,664 shares under a Share Purchase Plan.

No shares have been issued between the end of the financial year and the date of this report.

There are no unpaid amounts on the shares issued.

Dividends

No dividend has been paid since the end of the previous financial year and no dividend is recommended for the current year.

Matters Subsequent to the End of the Financial Year

On 29th August 2019, the Company advised that it had entered into an agreement with Otsana Pty Ltd to assist with a capital raising for the Company, the key terms of which are:

- Subject to shareholder approval, the Company will undertake a placement 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, Messrs Aaron Colleran, Kevin Hart and Rod Webster will convert \$100,533 accrued but unpaid Directors fees up to 31 July 2019 into Shares at a conversion price of \$0.01 per Share;
- The Company will 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.

As part of the capital raising, Non-executive Directors Aaron Colleran and Kevin Hart resigned from the Board and were replaced by Justin Boylson, Simon Andrew and Michael Davy.

There has not arisen in the interval between the end of the financial 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 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.

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Directors' Report

Likely Developments and Expected Results of Operations

The Company expects to maintain exploration programs at the Kurnalpi gold project in Western Australia. Exploration programs on the Group's other gold projects is subject to a review.

Disclosure of any further information has not been included in this report because, in the reasonable opinion of the Directors to do so would be likely to prejudice the business activities of the Group and is dependent upon the results of the future exploration and evaluation.

Environmental Regulation and Performance

The Group holds various exploration licences and permits to regulate its exploration activities. These licences include conditions and regulations with respect to the rehabilitation of areas disturbed during the course of its exploration activities.

So far as the Directors are aware, all exploration activities have been undertaken in compliance with all relevant environmental regulations.

Remuneration Report (Audited)

Remuneration paid to Directors and Officers of the Company is set by reference to such payments made by other ASX listed companies of a similar size and operating in the mineral exploration industry. In addition, reference is made to the specific skills and experience of the Directors and Officers.

Details of the nature and amount of remuneration of each Director, and other Key Management Personnel if applicable, are disclosed annually in the Company's Annual Report.

Remuneration Committee

The Board has adopted a formal Remuneration Committee Charter which provides a framework for the consideration of remuneration matters.

The Company does not have a separate remuneration committee and as such all remuneration matters are considered by the Board as a whole, with no Member deliberating or considering such matter in respect of their own remuneration.

In the absence of a separate Remuneration Committee, the Board is responsible for:

1. Setting remuneration packages for Executive Directors, Non-executive Directors and other Key Management Personnel; and
2. Implementing employee incentive and equity based plans and making awards pursuant to those plans.

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Directors' Report

Non-executive Remuneration

The Company's policy is to remunerate Non-executive Directors, at rates comparable to other ASX listed companies in the same industry, for their time, commitment and responsibilities.

Non-executive Remuneration is not linked to the performance of the Company, however to align Directors' interests with shareholders' interests, remuneration may be provided to Non-executive Directors in the form of equity based long term incentives.

1. Fees payable to Non-executive Directors are set within the aggregate amount approved by shareholders at the Company's Annual General Meeting;
2. Non-executive Directors' fees are payable in the form of cash and superannuation benefits;
3. Non-executive superannuation benefits are limited to statutory superannuation entitlements; and
4. Participation in equity based remuneration schemes by Non-executive Directors is subject to consideration and approval by the Company's shareholders.

The maximum Non-executive Directors fees, payable in aggregate are currently set at \$200,000 per annum.

Executive Director and Other Key Management Personnel Remuneration

Executive remuneration consists of base salary, plus other performance incentives to ensure that:

1. Remuneration packages incorporate a balance between fixed and incentive pay, reflecting short and long term performance objectives appropriate to the Company's circumstances and objectives; and
2. A proportion of remuneration is structured in a manner to link reward to corporate and individual performances.

Executives are offered a competitive level of base salary at market rates (based on comparable ASX listed companies) and are reviewed regularly to ensure market competitiveness. To date the Company has not engaged external remuneration consultants to advise the Board on remuneration matters.

Incentive Plans

The Company provides long term incentives to Directors and Employees pursuant to the Riversgold Incentive Option Plan, which was last approved by shareholders on 28 April 2017.

The Board, acting in remuneration matters:

1. Ensures that incentive plans are designed around appropriate and realistic performance targets and provide rewards when those targets are achieved;
2. Reviews and approves existing incentive plans established for employees; and
3. Approves the administration of the incentive plans, including receiving recommendations for, and the consideration and approval of grants pursuant to such incentive plans.

Engagement of Non-executive Directors

Non-executive Directors conduct their duties under the following terms:

1. A Non-executive Director may resign from his/her position and thus terminate their contract on written notice to the Company; and
2. A Non-executive Director may, following resolution of the Company's shareholders, be removed before the expiration of their period of office (if applicable). Payment is made in lieu of any notice period if termination is initiated by the Company, except where termination is initiated for serious misconduct.

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Directors' Report

Remuneration Report (Continued)

In consideration of the services provided by Mr Rod Webster as Non-executive Chairman the Company paid him a fee of \$70,000 per annum. From 28 August 2019, Mr Webster will be paid a fee of \$40,000 per annum.

In consideration of the services provided by Messrs Kevin Hart and Aaron Colleran as Non-executive Directors, the Company will pay each director a fee of \$40,000 per annum plus applicable statutory Superannuation Guarantee Charges.

In consideration of the services provided by Mr Jeff Foster as Non-executive Director to his resignation date of 31 March 2019, the Company paid him a fee of \$40,000 per annum plus applicable statutory Superannuation Guarantee Charges.

On 28 August 2019, Messrs Michael Davy and Simon Andrew were appointed Non-executive Directors of the Company and in consideration of their services the Company will pay each director a fee of \$30,000 per annum plus applicable statutory Superannuation Guarantee Charges.

Engagement of Non-executive Directors

Non-executive Directors are also entitled to fees for other amounts as the Board determines where they perform special duties or otherwise perform extra services or make special exertions on behalf of the Company. During the period 1 April to 30 June 2018, Mr Webster acted in an interim executive role and as such was entitled to a further \$12,000 per month in recognition for the additional services he provided. Subject to shareholder approval at General Meeting, Mr Webster has agreed to convert accrued and unpaid fees into Shares at a conversion price of \$0.01.

Engagement of Executive Directors

The Company entered into executive service agreements with Mr Allan Kelly on the following material terms and conditions:

Mr Kelly's service agreement with the Company, in respect of his engagement as Managing Director, was effective from the admission of the Company to the Official List of the ASX, 6 October 2017. Mr Kelly received a base salary of \$250,000 per annum inclusive of statutory superannuation.

Mr Kelly could also receive an annual short term performance based bonus which may be calculated as a percentage of his current base salary, the performance criteria, assessment and timing of which is negotiated annually with the Non-executive Directors. If a cash bonus is paid it is likely to be capped at 50% of the base salary.

Mr Kelly could, subject to shareholder approval, participate in the Riversgold Incentive Option Plan and other long term incentive plans adopted by the Board.

Following Mr Kelly's resignation as Managing Director on 26 March 2019, the executive services agreement with Mr Kelly was ended on 30 May 2019.

On 28 August 2019, the Company entered into an executive service agreement with Mr Justin Boylson on the following material terms and conditions:

Mr Boylson is to receive a base salary of \$150,000 per annum plus statutory superannuation for 60% of his time. Subject to shareholder approval, he will be entitled to participate in the Company's incentive scheme based on the achievement of specified objectives and milestones which will be set and agreed within 3 months of Mr Boylson's commencement date.

Either party may terminate the agreement by providing 3 months' notice in writing.

Riversgold Limited
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Directors' Report

Remuneration Report (Continued)

Short Term Incentive Payments

Each year, the Non-executive Directors set the Key Performance Indicators (KPI's) for Executive Directors. The KPI's are chosen to align the reward of the individual Executives to the strategy and performance of the Company.

Performance objectives, which may be financial or non-financial, or a combination of both, are weighted when calculating the maximum short term incentives payable to Executives. At the end of the year, the Non-executive Directors will assess the actual performance of the Executives against the set Performance Objectives. The maximum amount of the Short Term Incentive, or a lesser amount depending on actual performance achieved is paid to the Executives as a cash payment.

No Short Term incentives are payable to Executives where it is considered that the actual performance has fallen below the minimum requirement.

Shareholding Qualifications

The Directors are not required to hold any shares in Riversgold under the terms of the Company's constitution.

Group Performance

In considering the Company's performance, the Board will provide the following indices in respect of the current financial year and the previous financial period:

	2019	2018	2017
Loss for the period attributable to shareholders	\$3,856,352	\$7,387,689	\$66,931
Closing share price at 30 June	2 cents	11 cents	n/a

As an exploration entity the Board does not consider the profit/(loss) attributable to shareholders as one of the performance indicators when implementing Short Term Incentive Payments.

In addition to technical exploration success, the Board considers the effective management of safety, environmental and operational matters and successful management and acquisition and consolidation of high quality landholdings, as more appropriate indicators of management performance for respective financial years.

Remuneration Disclosures

During the financial year, the Key Management Personnel of the Company have been identified as:

Mr Rod Webster	Non-executive Chairman
Mr Allan Kelly	Managing Director (1 July 2018 – 31 March 2019)
Mr Jeff Foster	Non-executive Director (1 July 2018 – 31 March 2019)

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Directors' Report

Remuneration Report (Continued)

The details of the remuneration of each Director and member of Key Management Personnel of the Company is as follows:

30 June 2019	Short Term Benefits		Post-Employment Benefits	Other Long Term Benefits	Total	Proportion Performance Related
	Base Salary	Cash Bonus	Superannuation Contributions	Value of Options ³		
	\$	\$	\$	\$	\$	%
Rod Webster ^{1, 2}	106,000	-	-	11,303	117,303	-
Allan Kelly	289,368	25,000	22,167	14,431	350,966	7.1%
Jeff Foster	30,000	-	2,850	14,431	47,281	-
Aaron Colleran ²	17,617	-	633	-	18,250	-
Kevin Hart ²	10,950	-	-	-	10,950	-
Total	453,935	25,000	25,650	40,165	544,750	

¹ Includes consultancy fees whilst acting in the interim role of Executive Director for the 3 months to 30 June 2019, amounting to \$36,000.

² Includes fees not paid and to be settled with the issue of shares if approved by shareholders.

³ The Company issued options to the Directors in lieu of pre-IPO services provided. The fair value of Options issued as remuneration is calculated using a Black-Scholes Option Pricing model with the fair value allocated to each reporting period to vesting date.

Remuneration Disclosures

30 June 2018	Short Term Benefits		Post-Employment Benefits	Other Long Term Benefits	Total	Proportion Performance Related
	Base Salary	Short Term Incentive	Superannuation Contributions	Value of Shares ⁴		
	\$	\$	\$	\$	\$	%
Rod Webster	51,075	-	-	12,759	63,834	-
Allan Kelly ¹	194,044 ³	-	15,774	12,759	222,577	-
Jeff Foster ²	30,000	-	2,850	12,759	45,609	-
Total	275,119	-	18,624	38,277	332,020	

¹ Date of appointment 24 February 2017. Payment of remuneration commenced on 6 October 2017.

² Date of appointment 24 April 2017. Payment of remuneration commenced on 6 October 2017.

³ Mr Kelly received a retainer of \$2,000 per week for his executive services up to 6 October 2017.

⁴ The Company issued shares and options to the Directors in lieu of pre-IPO services provided. The fair value of Options issued as remuneration is calculated using a Black-Scholes Option Pricing model with the fair value allocated to each reporting period to vesting date.

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Directors' Report

Details of Performance Related Remuneration

During the period, a short-term incentive cash bonus of \$25,000 was awarded as remuneration to executive director, Allan Kelly. The entire bonus vested during the year, no percentage was forfeited during the year as the service and performance criteria were met. No part of the bonus is payable in future periods.

Share and Options Granted as Remuneration

There were no ordinary shares or options over unissued shares granted as remuneration to Directors or Key Management Personnel of the Company during the financial year ended 30 June 2019.

Exercise of Options Granted as Remuneration

During the year, no ordinary shares were issued in respect of the exercise of options previously granted as remuneration to Directors or Key Management Personnel of the Company.

Equity instrument disclosures relating to key management personnel

Option holdings

No options have been issued, exercised or cancelled during or since the end of the financial year ended 30 June 2019.

Key Management Personnel have the following interests in unlisted options over unissued shares of the Company.

2019 Name	Balance at start of the period	Received during the period as remuneration	Other changes during the period	Balance at the end of the period (i)	Vested and exercisable at 30.06.2019
Directors					
Rod Webster	1,000,000	-	-	1,000,000	-
Allan Kelly	1,741,753	-	-	1,741,753	-
Jeff Foster	1,000,000	-	-	1,000,000	-
Aaron Colleran	-	-	-	-	-
Kevin Hart ⁽ⁱⁱ⁾	-	-	62,259	62,259	-

(i) Balance at the end of the year or when a director ceased to be a director.

(ii) Initial holding on appointment as a Director on 26 March 2019

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Directors' Report

Remuneration Report (Continued)

Shareholdings

The number of shares in the Company held during the financial period by key management personnel of the Company, including their related parties are set out below. There were no shares granted during the reporting period as compensation.

2019 Name	Balance at start of the year	Received during the year as remuneration	Other changes during the year	Balance at the end of the year(i)
<i>Directors</i>				
Rod Webster ⁽ⁱⁱ⁾	1,287,500	-	200,000	1,487,500
Allan Kelly ⁽ⁱⁱ⁾	5,568,515	-	200,000	5,768,515
Jeff Foster ⁽ⁱⁱ⁾	1,550,000	-	200,000	1,750,000
Aaron Colleran	-	-	-	-
Kevin Hart ⁽ⁱⁱⁱ⁾	-	-	364,518	364,518

(i) Balance at the end of the year or when a director ceased to be a director.

(ii) Other changes during the year relates to shares issued as part of a placement in December 2018.

(iii) Initial holding on appointment as a Director on 26 March 2019.

Loans made to key management personnel

No loans were made to key personnel, including personally related entities during the financial year.

Loans from key management personnel

No loans were received from key personnel, including personally related entities during the financial year.

Other transactions with key management personnel

During the financial year ended 30 June 2019, the Company incurred \$118,696 for bookkeeping, accounting and company secretarial services provided by Endeavour Corporate Pty Ltd, an entity associated with Mr Kevin Hart. These services provided by Endeavour Corporate were done so at an arm's length basis and on normal commercial terms. There is a balance of \$37,833 owing to the director related entity as at 30 June 2019 in relation to the provision of these services.

End of Remuneration Report

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Directors' Report

Officers' Indemnities and Insurance

During the year the Company paid an insurance premium to insure certain officers of the Company. The officers of the Company covered by the insurance policy include the Directors named in this report.

The Directors and Officers Liability insurance provides cover against all costs and expenses that may be incurred in defending civil or criminal proceedings that fall within the scope of the indemnity and that may be brought against the officers in their capacity as officers of the Company. The insurance policy does not contain details of the premium paid in respect of individual officers of the Company. Disclosure of the nature of the liability cover and the amount of the premium is subject to a confidentiality clause under the insurance policy.

The Company has not provided any insurance for an auditor of the Company.

Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company or Group, or to intervene in any proceedings to which the Company or Group is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Company or Group with leave of the Court under section 237 of the *Corporations Act 2001*.

Non-audit Services

During the financial year HLB Mann Judd the Company's auditor, has not performed any other services in addition to their statutory duties.

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 27th day of September 2019.

A handwritten signature in black ink, appearing to read 'Rod Webster', with a horizontal line above the signature.

Rod Webster
Chairman

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the consolidated financial report of Riversgold Limited for the year ended 30 June 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 audit; and
- b) any applicable code of professional conduct in relation to the audit.

Perth, Western Australia
27 September 2019



D I Buckley
Partner

hlb.com.au

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Liability limited by a scheme approved under Professional Standards Legislation.

HLB Mann Judd (WA Partnership) is a member of HLB International, the global advisory and accounting network.

Riversgold Limited
ABN 64 617 614 598

Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the financial year ended 30 June 2019

	Note	Consolidated	
		30 June 2019 \$	30 June 2018 \$
Income			
Interest income	5	7,611	58,048
Foreign exchange gain		45,528	-
Other income		322	-
Total income		<u>53,461</u>	<u>58,048</u>
Expenses			
Employee and director expenses	5	(527,449)	(311,305)
Corporate expenses		(177,255)	(94,060)
Administration and other expenses		(355,528)	(427,018)
Cambodia Gold Pty Ltd acquisition costs expensed	5	-	(6,397,398)
Financing costs		(755)	(12,820)
Loss on deconsolidation		-	(169,969)
Depreciation expense		(38,085)	(17,356)
Exploration costs expensed and written off	5	(2,810,741)	(15,811)
		<u>(3,909,813)</u>	<u>(7,445,737)</u>
Loss before income tax		(3,856,352)	(7,387,689)
Income tax expense	6	-	-
Loss after tax		(3,856,352)	(7,387,689)
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		78,702	54,845
Total comprehensive loss for the year		(3,777,650)	(7,332,844)
		Cents	Cents
Basic loss per share	28	<u>(4.38)</u>	<u>(10.70)</u>
Diluted loss per share	28	<u>(4.38)</u>	<u>(10.70)</u>

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

Riversgold Limited
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Consolidated Statement of Financial Position
As at 30 June 2019

	Note	Consolidated	
		30 June 2019 \$	30 June 2018 \$
Current assets			
Cash and cash equivalents	7	406,597	2,895,471
Trade and other receivables	8	6,241	21,897
Other current assets	9	440	440
Total current assets		413,278	2,917,808
Non-current assets			
Property, plant and equipment	10	85,502	108,047
Capitalised exploration and evaluation expenditure	11	4,515,447	4,667,898
Total non-current assets		4,600,949	4,775,945
Total assets		5,014,227	7,693,753
Current liabilities			
Trade and other payables	13	389,261	201,270
Employee leave liabilities	14	2,147	13,986
Total current liabilities		391,408	215,256
Non-current liabilities			
Interest bearing borrowings	15	100,755	-
Total Non-current liabilities		100,755	-
Total liabilities		492,163	215,256
Net assets		4,522,064	7,478,497
Equity			
Issued capital	16	13,625,834	12,845,783
Accumulated losses		(11,310,972)	(7,454,620)
Reserves	18	2,207,202	2,087,334
Total equity		4,522,064	7,478,497

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

Riversgold Limited
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Consolidated Statement of Changes in Equity
For the financial year ended 30 June 2019

	Consolidated				
	Issued capital \$	Accumulated losses \$	Share-based payment reserve \$	Foreign currency translation reserve \$	Total \$
At 1 July 2017	506,885	(66,931)	-	-	439,954
Loss for the year	-	(7,387,689)	-	-	(7,387,689)
Exchange rate fluctuations	-	-	-	54,845	54,845
Total comprehensive loss	-	(7,387,689)	-	54,845	(7,332,844)
Transactions with equity holders in their capacity as equity holders:					
Securities issued	13,092,985	-	1,994,212	-	15,087,197
Share issue costs	(754,087)	-	-	-	(754,087)
Share-based payments:					
Employees/directors	-	-	38,277	-	38,277
Balance at 30 June 2018	<u>12,845,783</u>	<u>(7,454,620)</u>	<u>2,032,489</u>	<u>54,845</u>	<u>7,478,497</u>
At 1 July 2018	12,845,783	(7,454,620)	2,032,489	54,845	7,478,497
Loss for the year	-	(3,856,352)	-	-	(3,856,352)
Exchange rate fluctuations	-	-	-	78,702	78,702
Total comprehensive loss	-	(3,856,352)	-	78,702	(3,777,650)
Transactions with equity holders in their capacity as equity holders:					
Securities issued	821,209	-	-	-	821,209
Share issue costs	(41,158)	-	-	-	(41,158)
Share-based payments:					
Employees/directors	-	-	41,166	-	41,166
Balance at 30 June 2019	<u><u>13,625,834</u></u>	<u><u>(11,310,972)</u></u>	<u><u>2,073,655</u></u>	<u><u>133,547</u></u>	<u><u>4,522,064</u></u>

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

Riversgold Limited
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Consolidated Statement of Cash Flows
For the financial year ended 30 June 2019

	Note	Consolidated	
		30 June 2019 \$	30 June 2018 \$
Cash flows from operating activities			
Payments to suppliers and employees		(925,792)	(830,230)
Interest received		9,000	56,658
Interest paid		-	(12,820)
Net cash used in operating activities	27	(916,792)	(786,392)
Cash flows from investing activities			
Post IPO reimbursement of expenses		-	(226,666)
Payments for exploration and evaluation		(2,439,403)	(1,822,777)
Payment for property, plant and equipment		(15,540)	(125,403)
Cash received on acquisition of subsidiary		-	12,567
Net cash used in investing activities		(2,454,943)	(2,162,279)
Cash flows from financing activities			
Proceeds from the issue of shares		821,209	6,415,485
Payments for share issue costs		(37,858)	(620,248)
Proceeds from borrowings		100,000	-
Repayment of borrowings		-	(229,504)
Net cash from financing activities		883,351	5,565,733
Net (decrease) / increase in cash held		(2,488,384)	2,617,062
Cash at the beginning of the financial year		2,895,471	237,350
Effect of exchange rate fluctuations on cash held		(490)	41,059
Cash at the end of the financial year	7	406,597	2,895,471

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

Riversgold Limited
ABN 64 617 614 598

Notes to the Consolidated Financial Statements
For the financial year ended 30 June 2019

Note 1 Summary of significant accounting policies

Riversgold Limited ('the Company') is a listed public company domiciled in Australia. The consolidated financial report of the Company for the financial year ended 30 June 2019 comprises the Company and its subsidiaries (together referred to as the 'Group').

The following is a summary of the material accounting policies adopted by the Group in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

(a) Basis of preparation

This general purpose financial report has been prepared in accordance with Australian equivalents to International Financial Reporting Standards (AIFRS), other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

The financial report is presented in Australian dollars and all values are rounded to the nearest dollar.

The financial report of the Group was authorised for issue in accordance with a resolution of Directors on 27th September 2019.

Going Concern

These financial statements have been prepared on the going concern basis which contemplates the continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

For the year ended 30 June 2019, the Group incurred an operating loss of \$3,856,352 and had net operating cash outflows of \$916,792. The Directors recognise the Group is dependent on capital raises to meet expenditure forecasts. Notwithstanding the Group had an operating loss and working capital of \$122,403 (excluding \$100,533 of accrued directors fees which will, subject to shareholder approval, be paid by the issue of Shares at a conversion price of \$0.01 per Share), the Directors are of the opinion that the Company is a going concern as it recently entered into an agreement with Otsana Pty Ltd to assist with a capital raising. The capital raising, which is subject to shareholder approval, will raise approximately \$1,900,000 via a \$400,000 placement and \$1,500,000 non-renounceable rights issue. See Note 26. Subject to shareholder approval, Directors Justin Boylson, Simon Andrew and Michael Davy will each participate in the placement with a contribution of \$25,000.

In the event the Group does not achieve the matter set out above, there is a material uncertainty as to the ability of the Group to continue as a going concern and to realise its assets and extinguish its liabilities in the ordinary course of business.

Statement of Compliance

The consolidated financial report of Riversgold Limited complies with Australian Accounting Standards, which include Australian Equivalents to International Financial Reporting Standards (AIFRS), in their entirety. Compliance with AIFRS ensures that the financial report also complies with International Financial Reporting Standards (IFRS) in their entirety.

Adoption of New and Revised Standards

Standards and Interpretations applicable to 30 June 2019

In the financial year ended 30 June 2019, the Company has reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2018. The following standards were adopted by the Company but did not have a material impact.

Riversgold Limited
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Notes to the Consolidated Financial Statements
For the financial year ended 30 June 2019

Note 1 Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

Adoption of New and Revised Standards (continued)

AASB 9 Financial Instruments:

This standard replaces all previous versions of AASB 9 and completes the project to replace AASB 139 'Financial Instruments: Recognition and Measurement'. AASB 9 Financial Instruments introduces new classification and measurement models for financial assets.

Except for certain trade receivables, a financial asset is initially measured at fair value plus transactions costs, unless it is carried at fair value through profit or loss (FVTPL), in which case transaction costs are immediately expensed.

Debt instruments are subsequently measured at FVTPL, amortised cost, or fair value through other comprehensive income (FVOCI), on the basis of their contractual cash flows and the business model under which the debt instruments are held.

Equity instruments are generally measured at FVTPL. However, entities have an irrevocable option on an instrument-by-instrument basis to present changes in the fair value of non-trading instruments in other comprehensive income (OCI) without subsequent reclassification to profit or loss.

There is a fair value option (FVO) that allows financial assets on initial recognition to be designated as FVTPL if that eliminates or significantly reduces an accounting mismatch.

For financial liabilities designated as FVTPL using the FVO, the amount of change in the fair value of such financial liabilities that is attributable to changes in credit risk must be presented in OCI. The remainder of the change in fair value is presented in profit or loss, unless presentation in OCI of the fair value change in respect of the liability's credit risk would create or enlarge an accounting mismatch in profit or loss.

New impairment requirements use an "expected credit loss" (ECL) model to recognise an allowance. Impairment is measured using a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition, in which case the lifetime ECL method is adopted. For receivables, a simplified approach to measuring expected credit losses using a lifetime expected loss allowance is available.

The impact on the Company has predominantly been based on the Company's financial liabilities which includes the Convertible Note liability. The effect has not been material.

Standards and Interpretations in issue not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for the financial year ended 30 June 2019. Those which may have an impact on the Company are set out below. The Company does not plan to adopt these standards early.

AASB 16 Leases:

AASB 16 replaces the current AASB 117 Leases standard. AASB 16 removes the classification of leases as either operating leases or finance leases for the lessee effectively treating all leases as finance leases. Most leases (including the lease of business premises which the Company occupies) will be capitalised on the Statement of Financial Position by recognising a 'right-of-use' asset and a lease liability for the present value obligation. This will result in an increase in the recognised assets and liabilities in the statement of financial position as well as a change in expense recognition, with interest and depreciation replacing operating lease expense.

The impact on the Company will predominantly be based on the Company's lease obligations on its office premises. The Company has no leases in excess of 12 months and therefore, the impact of the standard is immaterial.

Riversgold Limited
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Notes to the Consolidated Financial Statements
For the financial year ended 30 June 2019

Note 1 Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

Reporting basis and conventions

These financial statements have been prepared under the historical cost convention, and on an accrual basis.

Critical accounting estimates

The preparation of financial statements in conformity with AIFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

Principles of consolidation

The financial statements of subsidiary companies are included in the consolidated financial statements from the date control commences until the date control ceases. The financial statements of subsidiary companies are prepared for the same reporting period as the parent company, using consistent accounting policies.

Inter-entity balances resulting from transactions with or between controlled entities are eliminated in full on consolidation. Investments in subsidiary companies are accounted for at cost in the individual financial statements of the Company.

(b) Segment reporting

Operating segments are identified and segment information disclosed, where appropriate, on the basis of internal reports reviewed by the Company's board of directors, being the Group's Chief Operating Decision Maker, as defined by AASB 8.

(c) Revenue recognition and receivables

The revenue recognised in any period is based on the delivery of performance obligations and an assessment of when control is transferred to the customer. Revenue is recognised either when the performance obligation in the contract has been performed, so "point in time" recognition or "over time" as control of the performance obligation is transferred to the customer.

Interest income

Interest income is recognised on a time proportion basis and is recognised as it accrues.

(d) Income tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to the temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary timing differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantially enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to those timing differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Riversgold Limited
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Notes to the Consolidated Financial Statements
For the financial year ended 30 June 2019

Note 1 Summary of significant accounting policies (continued)

(d) Income tax (continued)

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

(e) Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases (note 24). Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight line basis over the period of the lease.

(f) Impairment of assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash generating units). Non-financial assets, other than goodwill, that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

(g) Cash and cash equivalents

For cash flow statement presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(h) Government grants

Government grants are recognised at fair value where there is reasonable assurance that the grant will be received and all grant conditions will be met. Grants relating to expense items are recognised as income over the periods necessary to match the grant to the costs they are compensating. Grants relating to assets are deducted from the carrying value of the relevant asset.

Amounts receivable from the Australian Tax Office in respect of research and development tax concession claims are recognised in the year in which the claim is lodged with the Australian Tax Office. Amounts receivable are allocated in the financial statements against the corresponding expense or asset in respect of which the research and development concession claim has arisen.

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Notes to the Consolidated Financial Statements
For the financial year ended 30 June 2019

Note 1 Summary of significant accounting policies (continued)

(i) Fair value estimation

The nominal value less estimated credit loss adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

(j) Property, plant and equipment

Property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the assets. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation of property, plant and equipment is calculated using the straight line and diminishing value methods to allocate their cost, net of residual values, over their estimated useful lives. The asset's 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 (note 1(f)). Gains and losses on disposal are determined by comparing proceeds with the carrying amount. These gains and losses are included in the profit or loss.

(k) Capitalised exploration and evaluation expenditure

Exploration and evaluation expenditures in relation to each separate area of interest are recognised as an exploration and evaluation asset in the year in which they are incurred where the following conditions are satisfied:

- (i) the rights to tenure of the area of interest are current; and
- (ii) at least one of the following conditions is also met:
 - (a) the exploration and evaluation expenditures are expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale; or
 - (b) exploration and evaluation activities in the area of interest have not at the reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are initially measured at cost and include acquisition of rights to explore, studies, exploratory drilling, trenching and sampling and associated activities and an allocation of depreciation and amortised of assets used in exploration and evaluation activities. General and administrative costs are only included in the measurement of exploration and evaluation costs where they are related directly to operational activities in a particular area of interest.

Riversgold Limited
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Notes to the Consolidated Financial Statements
For the financial year ended 30 June 2019

Note 1 Summary of significant accounting policies (continued)

(k) Mineral exploration and evaluation expenditure (continued)

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The recoverable amount of the exploration and evaluation asset (for the cash generating unit(s) to which it has been allocated being no larger than the relevant area of interest) is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.

Where a decision has been made to proceed with development in respect of a particular area of interest, the relevant exploration and evaluation asset is tested for impairment and the balance is then reclassified to development.

Farm-in arrangements (in the exploration and evaluation phase)

For exploration and evaluation asset acquisitions (farm-in arrangements) in which the Group has made arrangements to fund a portion of the selling partner's (farmor's) exploration and/or future development expenditures (carried interests), these expenditures are reflected in the financial statements as and when the exploration and development work progresses.

Farm-out arrangements (in the exploration and evaluation phase)

The Group does not record any expenditure made by the farmee on its accounts. It also does not recognise any gain or loss on its exploration and evaluation farm-out arrangements but redesignates any costs previously capitalised in relation to the whole interest as relating to the partial interest retained.

Monies received pursuant to farm-in agreements are treated as a liability on receipt and until such time as the relevant expenditure is incurred.

(l) Joint ventures and joint operations

Joint ventures

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Investments in joint ventures are accounted for using the equity method. Under the equity method, the share of the profits or losses of the joint venture is recognised in profit or loss and the share of the movements in equity is recognised in other comprehensive income. Investments in joint ventures are carried in the statement of financial position at cost plus post-acquisition changes in the Group's share of net assets of the joint venture. Goodwill relating to the joint venture is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment. Income earned from joint venture entities reduce the carrying amount of the investment.

Joint operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. The Group has recognised its share of jointly held assets, liabilities, revenues and expenses of joint operations. These have been incorporated in the financial statements under the appropriate classifications.

Riversgold Limited
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Notes to the Consolidated Financial Statements
For the financial year ended 30 June 2019

Note 1 Summary of significant accounting policies (continued)

(m) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. The amounts are unsecured and usually paid within 30 days of recognition. Trade and other payables are carried at amortised cost.

(n) Employee benefits

Wages, salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits, and annual leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

Long service leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future salaries, experience of employee departures and periods of service. Expected future payments are discounted at the corporate bond rate with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Share-based payments

Share-based compensation payments are made available to Directors and employees.

The fair value of options granted is recognised as an employee benefit expense with a corresponding increase in equity. The fair value is measured at grant date and recognised over the period during which the employees become unconditionally entitled to the options.

The fair value at grant date is independently determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free rate for the term of the option. A discount is applied, where appropriate, to reflect the non-marketability and non-transferability of unlisted options, as the Black-Scholes option pricing model does not incorporate these factors into its valuation.

The fair value of the options granted is adjusted to reflect market vesting conditions. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. At each balance date, the entity revises its estimate of the number of options that are expected to become exercisable. The employee benefit expense recognised each period takes into account the most recent estimate.

Upon the exercise of options, the balance of the share-based payments reserve relating to those options is transferred to share capital and the proceeds received, net of any directly attributable transaction costs, are credited to share capital.

Upon the cancellation of options on expiry of the exercise period, or lapsing of vesting conditions, the balance of the share-based payments reserve relating to those options is transferred to accumulated losses.

(o) Issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Riversgold Limited
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Notes to the Consolidated Financial Statements
For the financial year ended 30 June 2019

Note 1 Summary of significant accounting policies (continued)

(p) Earnings per share

(i) Basic earnings per share

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

(ii) 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 ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

(q) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as a part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the balance sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the taxation authority, are presented as operating cash flow.

(r) Comparative figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(s) Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification.

Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless, an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

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Notes to the Consolidated Financial Statements
For the financial year ended 30 June 2019

Note 1 Summary of significant accounting policies (continued)

(s) Investments and other financial assets (continued)

Financial assets at fair value through profit or loss

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either:

- (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or
- (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income include equity investments which the consolidated entity intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

Impairment of financial assets

The consolidated entity recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Group's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets measured at fair value through other comprehensive income, the loss allowance is recognised within other comprehensive income. In all other cases, the loss allowance is recognised in profit or loss.

(t) Fair value estimation

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods:

Investments in equity and debt securities

The fair value of financial assets at fair value through profit or loss is determined by reference to their quoted bid price at the reporting date. The fair value of held to maturity investments is determined for disclosure purposes only. For investments with no active market, fair value is determined using valuation techniques. Such techniques include using recent arm's length market transactions, reference to the current market value of another instrument that is substantially the same, discounted cash flow analysis and option pricing models.

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Notes to the Consolidated Financial Statements
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Note 1 Summary of significant accounting policies (continued)

(t) Fair value estimation (continued)

Trade and other receivables

The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. An impairment loss is calculated as the difference between the present value of the contractual and expected future cashflows.

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified, into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

Note 2 Financial risk management

The Group has exposure to a variety of risks arising from its use of financial instruments. This note presents information about the Group's exposure to the specific risks, and the policies and processes for measuring and managing those risks. The Board of Directors has the overall responsibility for the risk management framework and has adopted a Risk Management Policy.

(a) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from transactions with customers and investments.

Trade and other receivables

The nature of the business activity of the Group does not result in trading receivables. The receivables that the Group does experience through its normal course of business are short term and the most significant recurring by quantity is receivable from the Australian Taxation Office, the risk of non-recovery of receivables from this source is considered to be negligible.

Cash deposits

The Directors believe any risk associated with the use of predominantly only one bank is addressed through the use of at least an A-rated bank as a primary banker. Except for this matter the Group currently has no significant concentrations of credit risk.

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Note 2 Financial risk management (continued)

(b) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group manages its liquidity risk by monitoring its cash reserves and forecast spending. Management is cognisant of the future demands for liquid finance resources to finance the Company's current and future operations, and consideration is given to the liquid assets available to the Company before commitment is made to future expenditure or investment.

(c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising any return.

Interest rate risk

The Group has significant cash assets which may be susceptible to fluctuations in changes in interest rates. Whilst the Group requires the cash assets to be sufficiently liquid to cover any planned or unforeseen future expenditure, which prevents the cash assets being committed to long term fixed interest arrangements; the Group does mitigate potential interest rate risk by entering into short to medium term fixed interest investments.

Equity risk

The Group has no direct exposure to equity price risk.

Foreign exchange risk

The Group undertakes operations outside of Australia that are denominated in currencies other than Australian Dollars.

The Group may, in respect of these operations, be exposed to fluctuations in foreign exchange rates which will have direct impact on the Group's net assets. Movements in foreign exchange may favourably or adversely affect future amounts to be incurred by the Group.

Other than the above, the Group does not have any direct contact with foreign exchange fluctuations other than their effect on the general economy.

Note 3 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances.

Accounting for capitalised exploration and evaluation expenditure

The application of the Group's accounting policy for exploration and evaluation expenditure (see note 1(k)) requires judgment in determining whether it is likely that future economic benefits are likely either from future exploitation or sale or where activities have not reached a stage which permits a reasonable assessment of the existence of reserves. The deferral policy requires management to make certain estimates and assumptions about future events or circumstances, in particular whether an economically viable extraction operation can be established. Estimates and assumptions made may change if new information becomes available.

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Notes to the Consolidated Financial Statements
For the financial year ended 30 June 2019

Note 3 Critical accounting estimates and judgements (continued)

Accounting for share-based payments

The values of amounts recognised in respect of share-based payments have been estimated based on the fair value of the equity instruments granted. Fair values of options issued are estimated by using an appropriate option pricing model. There are many variables and assumptions used as inputs into the models. If any of these assumptions or estimates were to change this could have a significant effect on the amounts recognised. See note 17 for details of inputs into option pricing models in respect of options issued during the reporting period.

Note 4 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 profit information and certain asset and liability information regarding business segments for the financial years ended 30 June 2019 and 30 June 2018.

30 June 2019	Australia	Alaska	Cambodia	Consolidated
	\$	\$	\$	\$
Interest income	7,611	-	-	7,611
Segment income	53,461	-	-	53,461
Segment loss before income tax expense	2,071,146	1,777,461	7,745	3,856,352
Segment assets	3,006,012	2,008,205	10	5,014,227
Segment liabilities	254,965	237,198	-	492,163
<i>Included within segment loss</i>				
Depreciation	38,085	-	-	38,085
Exploration costs expensed and written off	1,021,720	1,775,637	-	2,797,357
Employee and director expenses	527,449	-	-	527,449
Interest expense	755	-	-	755
<i>Included within segment assets</i>				
Fixed asset expenditure during the period	15,540	-	-	15,540
Exploration incurred during the period	1,011,318	1,633,588	-	2,644,906
<i>Cash flow information</i>				
Net cash outflows from operating activities	(907,223)	(1,824)	(7,745)	(916,792)
Net cash outflows from investing activities	(1,394,560)	(1,060,383)	-	(2,454,943)
Net cash inflows from financing activities	883,351	-	-	883,351

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Notes to the Consolidated Financial Statements
For the financial year ended 30 June 2019

Note 4 Segment information (continued)

30 June 2018	Australia \$	Alaska \$	Cambodia \$	Consolidated \$
Interest income	58,048	-	-	58,048
Segment income	58,048	-	-	58,048
Segment loss before income tax expense	746,671	188,645	6,452,373	7,387,689
Segment assets	5,537,831	2,155,912	10	7,693,753
Segment liabilities	215,256	-	-	215,256
<i>Included within segment loss</i>				
Depreciation	17,356	-	-	17,356
Loss on deconsolidation	-	169,969	-	169,969
Cambodia Gold acquisition costs expensed	-	-	6,397,398	6,397,398
Employee and director expenses	311,305	-	-	311,305
Interest expense	12,820	-	-	12,820
<i>Included within segment assets</i>				
Fixed asset expenditure during the period	125,403	-	-	125,403
Acquisition of exploration projects	1,252,661	1,902,129	-	3,154,790
Exploration incurred during the period	1,270,491	401,131	-	1,671,622
<i>Cash flow information</i>				
Net cash outflows from operating activities	(740,607)	(4,899)	(40,886)	(786,392)
Net cash outflows from investing activities	(1,757,384)	(404,895)	-	(2,162,279)
Net cash inflows from financing activities	5,565,733	-	-	5,565,733

	Consolidated	
	30 June 2019 \$	30 June 2018 \$

Note 5 Loss for the year

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

Income		
Interest income	7,611	58,048
Employee Expenses		
Salaries and wages	558,414	447,764
Directors fees	126,632	51,075
Superannuation	45,379	39,878
Annual leave provided for	6,696	13,986
Equity based remuneration	41,166	38,277
Other employee costs	14,706	3,634
Less: amount allocated to exploration	(265,544)	(283,309)
Net employee expenses	527,449	311,305

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Notes to the Consolidated Financial Statements
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	Consolidated	
	30 June 2019	30 June 2018
	\$	\$

Note 5 Loss for the year (continued)

Other Expenses include the following specific expenses:

Insurance	35,908	28,209
Travel and accommodation	42,708	50,833
Information technology expenses	33,678	44,440
Occupancy expenses	48,364	44,274
Marketing expenses	69,036	72,147
	229,694	239,903

Exploration costs:

Unallocated exploration costs	13,384	15,811
Exploration costs written off	1,365,717	-
Impairment expense-exploration costs	1,431,640	-
	2,810,741	15,811

During the year, capitalised exploration costs relating to the relinquished Kisa claims in Alaska and relinquished Yilgani tenements in Western Australia was written off. The Group has also recognised an impairment on the Alaskan claims and Churchill Dam tenements.

Cambodia Gold acquisition costs expensed

On acquisition of Cambodia Gold Pty Ltd, the Company acquired applications for mineral exploration licences in the Mondulkiri Province of Cambodia which were valued at \$6,179,732. Accounting standard *AASB 6 Exploration for and Evaluation of Mineral Resources* states that exploration expenditure can only be capitalised where the rights to tenure of the area of interest are current. As the exploration licences for the Cambodian tenements have not yet been granted, the \$6,179,732 was expensed in the previous financial year.

In addition, there were further costs of \$217,666 in relation to the acquisition that were incurred post the Initial Public Offer.

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Notes to the Consolidated Financial Statements
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	Consolidated	
	2019 \$	2018 \$
Note 6 Income tax		
<i>a) Income tax expense</i>		
<i>Current income tax:</i>		
Current income tax (charge)/benefit	1,151,585	596,925
Current income tax not recognised	(1,151,585)	(596,925)
<i>Deferred income tax:</i>		
Relating to origination and reversal of timing differences	1,582,796	357,919
Deferred income tax benefit not recognised	(1,582,796)	(357,919)
Income tax expense reported in the statement of profit and loss and other comprehensive income	-	-
<i>b) Reconciliation of income tax expense to prima facie tax payable</i>		
Profit/(Loss) from continuing operations before income tax expense	(3,856,352)	(7,387,689)
Tax at the Australian rate of 30%	(1,156,906)	(2,031,614)
Capital raising costs claimed	(47,715)	(41,475)
Non-deductible share-based payment	12,350	10,526
Other non-deductible expenses	839,207	1,746,171
Net deferred tax asset benefit not brought to account	353,064	316,392
Tax (benefit)/expense	-	-
<i>c) Deferred tax – Balance Sheet</i>		
<i>Assets</i>		
Revenue losses available to offset against future taxable income	1,770,793	621,579
Accrued expenses and leave provisions	22,581	25,235
Deductible equity raising costs	145,614	165,899
	1,938,988	812,713
<i>Liabilities</i>		
Capitalised exploration - Australia	(356,192)	(454,753)
Net deferred tax asset not recognised	1,582,796	357,919

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Notes to the Consolidated Financial Statements
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Note 6 Income tax (continued)

The deferred tax benefit of tax losses not brought to account will only be obtained if:

- (i) The Company derives future assessable income of a nature and an amount sufficient to enable the benefit from the tax losses to be realised;
- (ii) The Company continues to comply with the conditions for deductibility imposed by tax legislation; and
- (iii) No changes in tax legislation adversely affect the Company realising the benefit from the deduction of the losses.

All unused tax losses were incurred by Australian entities.

	Consolidated	
	2019	2018
	\$	\$

Note 7 Current assets - Cash and cash equivalents

Cash at bank and on hand	394,272	1,895,471
Short term deposit ¹	12,325	1,000,000
Total cash and cash equivalents	406,597	2,895,471

¹ Short term deposits are made for varying periods of between 1 and 3 months depending upon the immediate cash requirements of the Group and earn interest at the respective short term interest rates.

(a) Reconciliation to cash at the end of the year

The above figures are reconciled to cash at the end of the financial year as shown in the statement of cash flows as follows:

Cash and cash equivalents per statement of cash flows	406,597	2,895,471
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(b) Cash balances not available for use

Included in cash and cash equivalents above are amounts pledged as guarantees for the following:

Office rental bond	7,298	7,073
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Note 8 Current assets – Trade and other receivables

GST receivable	6,241	20,508
Accrued income	-	1,389
	6,241	21,897

Details of fair value and exposure to interest risk are included at note 19.

Note 9 Current assets – Other current assets

Security bond	440	440
	440	440

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Notes to the Consolidated Financial Statements
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	Consolidated	
	2019	2018
	\$	\$

Note 10 Non-Current assets – Property, plant and equipment

Field equipment

At cost	9,611	8,581
Accumulated depreciation	(4,309)	(1,134)
	5,302	7,447

Office equipment

At cost	83,835	69,325
Accumulated depreciation	(35,547)	(11,275)
	48,288	58,050

Motor Vehicles

At cost	47,497	47,497
Accumulated depreciation	(15,585)	(4,947)
	31,912	42,550

	85,502	108,047
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Reconciliation

Field equipment

Opening net book value	7,447	-
Additions	1,030	8,581
Depreciation	(3,175)	(1,134)
Closing net book value	5,302	7,447

Office equipment

Opening net book value	58,050	-
Additions	14,510	69,325
Depreciation	(24,272)	(11,275)
Closing net book value	48,288	58,050

Motor Vehicles

Opening net book value	42,550	-
Additions	-	47,497
Depreciation	(10,638)	(4,947)
Closing net book value	31,912	42,550

No items of property, plant and equipment have been pledged as security by the Group.

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Notes to the Consolidated Financial Statements
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	Consolidated	
	2019	2018
	\$	\$

Note 11 Capitalised exploration and evaluation expenditure

	Note		
Balance at the beginning of the year		4,667,898	-
Capitalisation of acquisition costs for Kurnalpi project ¹		-	1,025,479
Capitalisation of acquisition costs for Churchill Dam project ²		-	100,000
Capitalisation of acquisition costs for Afranex Gold Pty Ltd ³		-	1,902,129
Write down of Afranex acquisition costs on deconsolidation of Black Peak LLC ⁴		-	(158,514)
Capitalisation of acquisition costs for Cutler gold prospect ⁵		-	127,182
Exploration expenditure incurred (including movement in USD AUD exchange rates)		2,644,906	1,671,622
Capitalised costs written off during the financial year	5	(1,365,717)	-
Impairment of exploration costs	5	(1,431,640)	-
		<hr/> 4,515,447	<hr/> 4,667,898
Balance at the end of the year			

¹ Capitalised acquisition costs and fair value of exploration assets recognised on the acquisition of the Kurnalpi project from Serendipity Resources Pty Ltd.

² Fair value of exploration assets recognised on the acquisition of the Churchill Dam project from Debnal Pty Ltd.

³ Fair value of exploration assets initially recognised on the acquisition of Afranex Gold Pty Ltd.

⁴ On dissolution of Black Peak LLC, a wholly owned subsidiary of Afranex Gold Pty Ltd, the fair value uplift in exploration costs which were previously recognised on consolidation of the Afranex group, were written off on deconsolidation of Black Peak LLC.

⁵ Capitalised costs of acquisition includes the fair value of 450,000 shares, 450,000 options and cash consideration for the acquisition of E25/550 from Westex Resources Pty Ltd.

The Group has recognised an impairment in previously capitalised exploration costs in respect of the Alaskan claims, West Australian and South Australian tenements (Refer note 5).

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.

Note 12 Interests in joint ventures and farm-in arrangements

a) Joint Venture Agreements – Joint Operations

Joint venture agreements may be entered into with third parties.

Assets employed by these joint ventures and the Group's expenditure in respect of them is brought to account initially as capitalised exploration and evaluation expenditure until a formal joint venture agreement is entered into. Thereafter, investment in joint ventures is recorded distinctly from capitalised exploration costs incurred on the company's 100% owned projects. The Group was not part to joint arrangements during the year.

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Notes to the Consolidated Financial Statements
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Note 12 Interests in joint ventures and farm-in arrangements (continued)

b) Farm-in Arrangements

The Group was party to the following farm-in arrangements during the financial year ended 30 June 2019:

Alloy Joint Venture – Earning In

The Company has entered into an agreement with Alloy Resources Limited (“Alloy”) whereby the Company can earn up to an 85% interest in two granted Exploration Licences adjacent to its highly prospective Queen Lapage and Acra South targets in Western Australia.

Significant terms of the farm-in arrangement as follows:

- The Company will pay Alloy \$30,000 cash as reimbursement for previous expenditure on the tenements.
- The Company must meet the minimum statutory expenditure of \$114,000 for the first year before withdrawing from the agreement.
- The Company can earn an initial 70% interest in the tenements by meeting statutory minimum expenditure requirements \$114,000pa for 3 years, including the first year.
- Upon the Company earning 70%, Alloy can elect to contribute pro-rata to further exploration or revert to a 15% free-carried interest to completion of a Definitive Feasibility Study (“DFS”), whereby the Company will have earned an 85% interest in the tenements.
- Upon completion of the DFS, Alloy will have an opportunity to contribute pro-rata to further exploration/development or revert to a 1.5% Net Smelter Royalty.
- The Company will manage exploration on the tenements.

	Consolidated	
	2019	2018
	\$	\$

Note 13 Current liabilities – Trade and other payables

Trade payables	314,984	109,190
Accrued expenses	72,782	77,775
Employment related payables	1,154	14,305
Other payables	341	-
	389,261	201,270

Liabilities are not secured over the assets of the Group. Details of fair value and exposure to interest risk are included at note 19.

Note 14 Current liabilities - Employee leave liabilities

Annual leave liability	2,147	13,986
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Notes to the Consolidated Financial Statements
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Note 15 Non-current liabilities – Interest bearing borrowings

	Interest Rate %	Repayment Date	2019 \$	2018 \$
Convertible Notes	5%	7 November 2020	100,755	-

Convertible notes issued on 7 May 2019 to Greenwich Group Pty Ltd (“Greenwich”). Each convertible note will be convertible into Shares at the higher of \$0.022 per share or 80% of the 5 trading day volume weighted average price of the Company’s shares on ASX calculated at the date that the Conversion Notice is given to the Company. The Company has the right to redeem any unconverted convertible notes prior to the Repayment Date. Greenwich may, subject to shareholder approval if required, convert the convertible notes into Shares prior to the Repayment Date. The embedded derivative conversion feature has been assessed and is immaterial.

Changes in liabilities arising from financing activities:

	Convertible Notes	
	2019 \$	2018 \$
Balance at the start of the financial year	-	-
Proceeds from drawdown of convertible note	100,000	-
Interest accrued	755	-
Balance at the end of the financial year	100,755	-

Note 16 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.

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Ordinary shares have no par value. There is no limit to the authorised share capital of the Company.

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Notes to the Consolidated Financial Statements
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Note 16 Issued capital (Continued)

	Issue price	30 June 2019		30 June 2018	
		Number	\$	Number	\$

b) Share capital

Issued share capital		101,181,543	13,625,834	83,214,935	12,845,783
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c) Share movements during the year

Balance at the start of the period		83,214,935	12,845,783	10,137,510	506,885
Shares issued to pre-IPO investors	\$0.10	-	-	5,000,000	500,000
Shares issued to acquire Afranex Gold Ltd	\$0.10	-	-	10,000,000	1,000,000
Shares issued to acquire Cambodia Gold Pty Ltd	\$0.20	-	-	23,500,000	4,700,000
Shares issued to acquire the Kurnalpi Project	\$0.20	-	-	3,000,000	600,000
Shares issued to acquire the Churchill Dam Project	\$0.20	-	-	500,000	100,000
Shares issued under the Offer	\$0.20	-	-	30,627,425	6,125,485
Shares issued to acquire the Cutler gold prospect	\$0.15	-	-	450,000	67,500
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	-	-
Less share issue costs		-	(41,158)	-	(754,087)
Balance at the end of the financial year		101,181,543	13,625,834	83,214,935	12,845,783

Note 17 Options and share-based payments

The establishment of the Riversgold Limited Incentive Option Plan ("the Plan") was approved by shareholders of the Company on 28 April 2017. All eligible Directors, executive officers and employees of Riversgold Limited who have been continuously employed by the Company are eligible to participate in the Plan.

The Plan allows the Company to issue free options to eligible persons. The options can be granted free of charge and are exercisable at a fixed price in accordance with the Plan.

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Note 17 Options and share-based payments (continued)

a) Options issued during the period

During the financial year the Company issued 370,000 options over unissued shares pursuant to the employee incentive plan. The options have an exercise price of \$0.09 cents per option and expire on 28 February 2023.

b) Options exercised during the period

During the financial year the Company issued no shares on the exercise of options (2018: Nil).

c) Options cancelled during the period

During the financial year 250,000 options lapsed on termination of employment and no options were cancelled on expiry of exercise period.

d) Options on issue at the balance date

The number of options outstanding over unissued ordinary shares at 30 June 2019 is 22,320,000 (2018: 22,200,000). The terms of these options are as follows:

<i>Date Granted</i>	<i>Number</i>	<i>Exercise price</i>	<i>Escrowed Until</i>	<i>Expiry date</i>
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
1 Mar 2019	120,000	9 cents	-	28 February 2023
Total	22,320,000			

e) Subsequent to the balance date

No options have been granted subsequent to the balance date and to the date of signing this report.

No options have been exercised subsequent to the balance date to the date of signing this report.

Subsequent to the balance date no options have been cancelled on expiry of the exercise period.

f) Basis and assumptions used in the valuation of options.

The options issued during the current reporting period were valued using the Black-Scholes option valuation methodology.

<i>Date granted</i>	<i>Number of options granted</i>	<i>Exercise price (cents)</i>	<i>Expiry date</i>	<i>Risk free interest rate used</i>	<i>Volatility applied</i>	<i>Value of Options</i>
1 March 2019	370,000	9 cents	28 February 2023	1.81%	91%	\$9,262

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

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Notes to the Consolidated Financial Statements
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Note 17 Options and share-based payments (continued)

g) Reconciliation of movement of options over unissued shares during the period including weighted average exercise price (WAEP)

	2019		2018	
	No.	WAEP (cents)	No.	WAEP (cents)
Options outstanding at the start of the period	22,200,000	20.0	3,000,000	20.0
Options granted during the period	370,000	9.0	19,200,000	20.0
Options exercised during the period	-		-	-
Options cancelled and expired unexercised during the period	(250,000)	9.0	-	-
Options outstanding at the end of the period	22,320,000	19.94	22,200,000	20.0

h) Weighted average contractual life

The weighted average remaining contractual life for un-exercised options is 18 months (2018: 29 months).

	Consolidated			
	2019		2018	
	Foreign exchange translation reserve (i) \$	Share-based payment reserve (ii) \$	Foreign exchange translation reserve \$	Share-based payment reserve \$

Note 18 Reserves

Balance at the beginning of the year/period	54,845	2,032,489	-	-
Movement in foreign translation reserve in respect of exchange rate	78,702	-	54,845	-
Movement in share-based payment reserve in respect of options issued	-	41,166	-	2,032,489
Balance at the end of the year/period	133,547	2,073,655	54,845	2,032,489

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

(ii) The share-based payment reserve is used to recognise the fair value of options issued and vested but not exercised.

Riversgold Limited
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Notes to the Consolidated Financial Statements
For the financial year ended 30 June 2019

Note 19 Financial instruments

Credit risk

The Directors do not consider that the Group's financial assets are subject to anything more than a negligible level of credit risk, and as such no disclosures are made, note 2(a).

Impairment losses

The Directors do not consider that any of the Group's financial assets are subject to impairment at the reporting date. No impairment expense or reversal of impairment charge has occurred during the reporting period.

Interest rate risk

At the reporting date the interest profile of the Group's interest-bearing financial instruments was:

	Carrying amount (\$)	
	2019	2018
Fixed rate instruments		
Financial assets	12,325	1,000,000
Variable rate instruments		
Financial assets	394,272	1,895,471

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased/(decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

	Profit or loss		Equity	
	1% increase	1% Decrease	1% increase	1% decrease
2019				
Variable rate instruments	3,943	(3,943)	3,943	(3,943)
2018				
Variable rate instruments	18,955	(18,955)	18,955	(18,955)

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Notes to the Consolidated Financial Statements
For the financial year ended 30 June 2019

Note 19 Financial instruments (continued)

Interest rate risk (continued)Liquidity risk

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements, note 2(b):

Consolidated	Carrying amount	Contractual cash flows	< 6 months	6-12 months	1-2 years	2-5 years	> 5 years
	\$	\$	\$	\$	\$	\$	\$

2019

Trade & other payables	389,261	389,261	389,261	-	-	-	-
Convertible notes	100,755	107,593	-	-	107,593	-	-
	490,016	496,854	389,261	-	107,593	-	-

2018

Trade & other payables	201,270	201,270	201,270	-	-	-	-
	201,270	201,270	201,270	-	-	-	-

Fair values

Fair values versus carrying amounts

The fair values of financial assets and liabilities, together with the carrying amounts shown in the balance sheet are as follows:

	Consolidated			
	2019		2018	
	Carrying amount \$	Fair value \$	Carrying amount \$	Fair value \$
Cash and cash equivalents	406,597	406,597	2,895,471	2,895,471
Trade other receivables	6,241	6,241	21,897	21,897
Trade and other payables	(389,261)	(389,261)	(201,270)	(201,270)
Convertible notes	(100,755)	(100,755)	-	-
	(77,178)	(77,178)	2,716,098	2,716,098

The Group's policy for recognition of fair values is disclosed at note 1(t).

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Notes to the Consolidated Financial Statements
For the financial year ended 30 June 2019

Note 20 Dividends

No dividends were paid or proposed during the financial year ended 30 June 2019.

The Company has no franking credits available as at 30 June 2019.

Note 21 Key management personnel disclosures

(a) Directors and key management personnel

The following persons were directors of Riversgold Limited during the financial year:

- (i) *Chairman – non-executive*
Rod Webster
- (ii) *Executive director*
Allan Kelly, Managing Director (resigned 26 March 2019)
- (iii) *Non-executive director*
Jeff Foster (resigned 31 March 2019)
- (iv) *Non-executive director*
Kevin Hart (appointed 26 March 2019)
- (iv) *Non-executive director*
Aaron Colleran

There were no other persons employed by or contracted to the Company during the financial year, having responsibility for planning, directing and controlling the activities of the Company, either directly or indirectly.

(b) Key management personnel compensation

A summary of total compensation paid to key management personnel during the year is as follows:

	2019	2018
	\$	\$
Total short-term employment benefits	478,935	275,119
Total share-based payments ¹	40,165	38,277
Total post-employment benefits	25,650	18,624
	544,750	332,020

¹ The fair value of options issued to Directors as remuneration is included in the financial statements over the periods that they vest.

Note 22 Remuneration of auditors

Audit and review of the Company's financial statements

	26,730	30,000
Total	26,730	30,000

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Notes to the Consolidated Financial Statements
For the financial year ended 30 June 2019

Note 23 Contingencies

(i) Contingent liabilities

There were no material contingent liabilities not provided for in the financial statements of the Group as at 30 June 2019 other than:

Native Title and Aboriginal Heritage

Native title claims have been made with respect to areas which include tenements in which the Group has an interest pursuant to various share sale and asset acquisition agreements.

The Group is unable to determine the prospects for success or otherwise of the claims and, in any event, whether or not and to what extent the claims may significantly affect the Group or its projects. Agreement is being or has been reached with various native title claimants in relation to Aboriginal Heritage issues regarding certain areas in which the Group has an interest.

(ii) Contingent assets

There were no material contingent assets as at 30 June 2019.

Note 24 Commitments

(a) Exploration

The Group has certain obligations to perform minimum exploration work on mineral leases held. These obligations may be varied as a result of renegotiations of the terms of the exploration licences or their relinquishment. The minimum exploration obligations are less than the normal level of exploration expected to be undertaken by the Group.

As at balance date, total exploration expenditure commitments on tenements held by the Group have not been provided for in the financial statements. Commitments for the following twelve month period amount to approximately \$1,247,000 (2018: \$1,302,000).

(b) Operating Lease Commitments

	2019 \$	2018 \$
Due within 1 year	11,249	33,746
Due after 1 year but not more than 5 years	-	11,249
	11,249	44,995

On 1 October 2017, the Company entered into a 2 year lease on its office at Suite 8, 125 Melville Parade Como. The material terms of the lease are as follows:

- (i) Rent (excluding outgoings) is set at \$200 per square metre per annum, with a 3% increase on each anniversary of the commencement date.
- (ii) The lease is secured by an amount of \$7,073 being held in term deposit.

(c) Contractual Commitment

There are no material contractual commitments as at 30 June 2018 and 30 June 2019 not otherwise disclosed in the Financial Statements.

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Notes to the Consolidated Financial Statements
For the financial year ended 30 June 2019

Note 25 Related party transactions

a) Subsidiaries

Subsidiary Company	Country of Incorporation	Parent	Ownership Interest	
			30 June 2019	30 June 2018
Riversgold (Australia) Pty Ltd	Australia	Riversgold Ltd	100%	100%
Cambodia Gold Pty Ltd	Australia	Riversgold Ltd	100%	100%
Afranex Gold Pty Ltd ¹	Australia	Riversgold Ltd	100%	100%
Afranex (Alaska) Limited	USA	Afranex Gold Pty Ltd	100%	100%
North Fork Resources Pty Ltd	Australia	Afranex Gold Pty Ltd	100%	100%

¹ In December 2017, Afranex Gold Limited converted to a proprietary company.

The ultimate controlling party of the group is Riversgold Ltd.

b) Loans to controlled entities

The following amounts are payable to the parent company, Riversgold Ltd, at the reporting date. These amounts are eliminated on consolidation.

	30 June 2019 \$	30 June 2018 \$
Riversgold (Australia) Pty Ltd	3,534,469	2,450,887
Afranex Gold Pty Ltd	2,346,029	1,074,328
Cambodia Gold Pty Ltd	289,386	281,641

c) Transactions with Directors

Transactions with Directors, as directors of the Company, during the year are disclosed at Note 21 – Key Management Personnel.

During the financial year ended 30 June 2019, the Company incurred \$118,696 for bookkeeping, accounting and company secretarial services provided by Endeavour Corporate Pty Ltd, an entity associated with Mr Kevin Hart. These services provided by Endeavour Corporate were done so at an arm's length basis and on normal commercial terms. There is a balance of \$37,833 owing to the director related entity as at 30 June 2019 in relation to the provision of these services.

There are no other related party transactions, other than those already disclosed elsewhere in this financial report.

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Notes to the Consolidated Financial Statements
For the financial year ended 30 June 2019

Note 26 Events occurring after the balance sheet date

On 28th August 2019, the Company advised that it had entered into an agreement with Otsana Pty Ltd to assist with a capital raising for the Company, the key terms of which are:

- Subject to shareholder approval, the Company will undertake a placement 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, Messrs Aaron Colleran, Kevin Hart and Rod Webster convert \$100,533 accrued but unpaid Directors fees up to 31 July 2019 into Shares at a conversion price of \$0.01 per Share;
- The Company will undertake a non-renouncable rights issue on the basis of 1 new Share for every Share hold on the record date at an issue price of \$0.01 to raise up to \$1,511,815.

As part of the capital raising, Non-executive Directors Aaron Colleran and Kevin Hart resigned from the Board and were replaced by Justin Boylson, Simon Andrew and Michael Davy.

There has not arisen in the interval between the end of the financial 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 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.

	Consolidated	
	2019	2018
	\$	\$

Note 27 Reconciliation of loss after tax to net cash inflow from operating activities

Loss from ordinary activities after income tax	(3,856,352)	(7,387,689)
<u>Adjustment for non-cash items:</u>		
Impairment of exploration	2,797,357	6,397,398
Exploration expensed	13,384	15,811
Share-based payments expense	41,166	38,277
Depreciation	38,085	17,356
Net foreign exchange differences	(45,528)	-
Loss on deconsolidation	-	169,969
<u>Movement in assets and liabilities:</u>		
(Increase)/decrease in receivables	16,656	(11,543)
Increase/(decrease) in payables	90,279	(39,957)
Increase/(decrease) in employee leave liabilities	(11,839)	13,986
Net cash outflow from operating activities	(916,792)	(786,392)

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Notes to the Consolidated Financial Statements
For the financial year ended 30 June 2019

Note 28 Earnings per share

	Consolidated	
	2019	2018
<i>a) Basic earnings per share</i>	Cents	Cents
Loss attributable to ordinary equity holders of the Company	(4.38)	(10.7)
<i>b) Diluted earnings per share</i>		
Loss attributable to ordinary equity holders of the Company	(4.38)	(10.7)
<i>c) Loss used in calculation of basic and diluted loss per share</i>	\$	\$
Consolidated loss after tax from continuing operations	(3,856,352)	(7,387,689)
<i>d) Weighted average number of shares used as the denominator</i>	No.	No.
Weighted average number of shares used as the denominator in calculating basic and dilutive loss per share	88,096,681	68,869,781

At 30 June 2019 the Company has on issue 22,320,000 unlisted options over ordinary shares that are not considered to be dilutive.

Riversgold Limited
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Notes to the Consolidated Financial Statements
For the financial year ended 30 June 2019

Note 29 Parent entity information

	Company	
	2019	2018
	\$	\$
<i>Financial position</i>		
Assets		
Current assets	407,898	2,906,631
Non-current assets	4,369,130	4,714,856
Total Assets	<u>4,777,028</u>	<u>7,621,487</u>
Liabilities		
Current liabilities	154,209	142,990
Non-current liabilities	100,755	-
Total Liabilities	<u>254,964</u>	<u>142,990</u>
NET ASSETS	<u>4,522,064</u>	<u>7,478,497</u>
Equity		
Issued Capital	13,625,834	12,845,783
Reserves	2,073,655	2,074,505
Accumulated losses	(11,177,425)	(7,441,791)
TOTAL EQUITY	<u>4,522,064</u>	<u>7,478,497</u>
<i>Financial performance</i>		
Loss for the period	3,735,634	7,374,860
Other comprehensive income	-	-
Total comprehensive loss	<u>3,735,634</u>	<u>7,374,860</u>

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

No guarantees have been entered into by the parent entity in relation to the debts of its subsidiary companies.

Contingent liabilities

For full details of contingencies see Note 23.

Commitments

For full details of commitments see Note 24.

Riversgold Limited
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Directors' Declaration

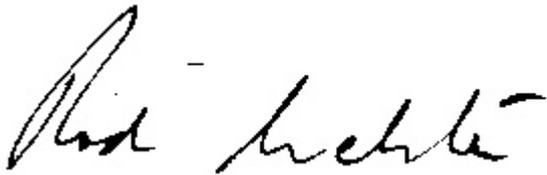
In the opinion of the Directors of Riversgold Limited ("the Company")

- (a) the accompanying financial statements and notes are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Accounting Standards and the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - (ii) give a true and fair view of the financial position as at 30 June 2019 and of the performance for the period ended on that date of the Group.
- (b) there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.
- (c) the financial statements comply with International Financial Reporting Standards as set out in Note 1.

The Directors have been given the declarations required by Section 295A of the *Corporations Act 2001* from the Chief Executive Officer and Chief Financial Officer for the financial year ended 30 June 2019.

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

Signed at Perth this 27th day of September 2019.

A handwritten signature in black ink, appearing to read 'Rod Webster', with a horizontal line above the name.

Rod Webster
Chairman

INDEPENDENT AUDITOR'S REPORT

To the members of Riversgold Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Riversgold Limited ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2019, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the Group's financial position as at 30 June 2019 and of its financial performance for the year then ended; and
- b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Material uncertainty related to going concern

We draw attention to Note 1(a) 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 opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

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Key Audit Matter	How our audit addressed the key audit matter
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Carrying amount of exploration and evaluation expenditure

Note 11 of the financial report

The carrying amount of exploration and evaluation expenditure as at 30 June 2019 is \$4,515,447.

In accordance with AASB 6 *Exploration for and Evaluation of Mineral Resources*, the Group capitalises all exploration and evaluation expenditure, including acquisition costs and subsequently applies the cost model after recognition.

Our audit focussed on the Group’s assessment of the carrying amount of the capitalised exploration and evaluation asset, as this is one of the most significant assets of the Group.

We planned our work to address the audit risk that the capitalised expenditure may no longer meet the recognition criteria of the standard. In addition, we considered it necessary to assess whether facts and circumstances existed to suggest that the carrying amount of the exploration and evaluation asset may exceed its recoverable amount.

Our procedures included but were not limited to the following:

- We obtained an understanding of the key processes associated with management’s review of the carrying values of each area of interest;
- We considered the Directors’ assessment of potential indicators of impairment;
- We obtained evidence that the Group has current rights to tenure of its areas of interest;
- We examined the exploration budget for the year ending 30 June 2020 and discussed with management the nature of planned ongoing activities;
- We substantiated a sample of expenditure by agreeing to supporting documentation; and
- We examined the disclosures made in the financial report.

Information other than the financial report and auditor’s report thereon

The directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2019, but does not include the financial report and our auditor’s report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors 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* and for 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.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included within the directors' report for the year ended 30 June 2019.

In our opinion, the Remuneration Report of Riversgold Limited for the year ended 30 June 2019 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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



HLB Mann Judd
Chartered Accountants

Perth, Western Australia
27 September 2019



D I Buckley
Partner

Riversgold Limited
ABN 64 617 614 598

Additional ASX Information

Pursuant to the Listing Requirements of the Australian Securities Exchange, the shareholder information set out below was applicable as at 18 October 2019.

A. Distribution of Equity Securities

Analysis of numbers of shareholders by size of holding:

Ordinary Fully Paid Shares

Distribution	Number of shareholders	Securities held
1 – 1,000	11	632
1,001 – 5,000	10	36,931
5,001 – 10,000	116	1,117,190
10,001 – 100,000	196	8,946,063
More than 100,000	122	141,134,059
Totals	455	151,234,875

There are 227 shareholders holding less than a marketable parcel of ordinary shares.

B. Substantial Shareholders

An extract of the Company's Register of Substantial Shareholders (who hold 5% or more of the issued capital) is set out below:

Shareholder Name	Issued Ordinary Shares	
	Number of shares	% of shares
EAGLEHAWK INVESTMENTS PTY LTD	17,825,000	17.61%
EVOLUTION MINING LIMITED	15,700,000	15.50%

C. Unquoted Securities - Options

No of Options	Exercise Price	Expiry Date	No of Holders
3,000,000	\$0.20	15 May 2022	3
18,750,000	\$0.20	10 October 2020	50
450,000	\$0.20	10 March 2020	1
120,000	\$0.09	28 February 2023	1

Greenwich Equities Pty Ltd holds 11,750,000 (52.6%) of unquoted options on issue.

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Additional ASX Information

D. Twenty Largest Shareholders

The names of the twenty largest holders of the quoted class of shares are listed below:

Shareholder Name	Ordinary Shares	
	Number of shares	% of Shares
EAGLEHAWK INVESTMENTS PTY LTD	24,575,000	16.25
EVOLUTION MINING LIMITED	15,700,000	10.38
CITYMIST HOLDINGS PTY LTD	7,500,000	4.96
MR RODERICK JOHN WEBSTER	7,133,332	4.72
ESM LIMITED	6,500,000	4.30
MR JEFFREY FOSTER	4,217,217	2.79
MRS VICTORIA HELEN GARDINER	3,000,000	1.98
DINGJO PTY LTD	2,670,000	1.77
RENAISSANCE MINERALS LIMITED	2,361,528	1.56
BOWMAN GATE PTY LTD	2,000,000	1.32
CLARIDEN CAPITAL PTY LTD	2,000,000	1.32
MR JAMES THOMPSON + MRS SONJA LOUISE NEWMAN HEATH <T H CAPITAL SUPER FUND A/C>	2,000,000	1.32
ENDEAVOUR CORPORATE PTY LTD	1,814,517	1.20
MR VELCO ANTHONY JAKOVICH	1,625,000	1.07
MR ROBERT WILLIAM WATERHOUSE	1,500,000	0.99
MR AARON MARK COLLERAN	1,460,000	0.97
INVESTAR HOLDINGS PTY LTD <WEBSTER SUPER FUND A/C>	1,400,000	0.93
MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED	1,117,538	0.74
MR GERVAISE ROBERT JOHN HEDDLE	1,050,000	0.69
BARCLAY WELLS LTD <NOMINEE A/C>	1,022,727	0.68
Total	90,646,859	59.94%

D. Voting Rights

Ordinary Fully Paid Shares

In accordance with the Company's Constitution, voting rights in respect of ordinary shares are on a show of hands at a meeting of shareholders, whereby each member present in person or by proxy shall have one vote and upon a poll, each share will have one vote.

Unlisted Options

Holders of unlisted options shall have no right to vote on any resolutions proposed at a meeting of shareholders unless and until the option is exercised and ordinary shares are held.

E. Restricted Securities

The Company has no restricted securities on issue.

F. Use of Funds

Pursuant to the requirements of ASX Listing Rule 4.10.19 the Company has used the funds raised from its Initial Public Offer (IPO) in a manner that is consistent with the projections and objectives outlined in the Replacement Prospectus dated 11 August 2017.

Riversgold Limited
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Tenement Schedule

Riversgold Tenement Schedule as at 30 September 2019

Western Australia

Project	Tenement	Status	Holder	Interest
Kurnalpi North	E 25/538	Granted	Riversgold (Australia) Pty Ltd	80%
	E 25/540	Granted	Riversgold (Australia) Pty Ltd	80%
	E 25/541	Granted	Riversgold (Australia) Pty Ltd	80%
	E 28/2580	Granted	Riversgold (Australia) Pty Ltd	80%
	E 25/550	Granted	Riversgold (Australia) Pty Ltd	100%
	E25/573	Application	Riversgold (Australia) Pty Ltd	100%
	E25/582	Application	Riversgold (Australia) Pty Ltd	100%
	E25/583	Application	Riversgold (Australia) Pty Ltd	100%
	P25/2610	Application	Riversgold (Australia) Pty Ltd	100%
	P25/2611	Application	Riversgold (Australia) Pty Ltd	100%
	P25/2612	Application	Riversgold (Australia) Pty Ltd	100%
Kurnalpi South	E 25/539	Granted	Riversgold (Australia) Pty Ltd	80%
	E 28/2599	Granted	Farm-in agreement with Alloy Resources Limited	Earning 70%
	E 28/2665	Granted		

South Australia

Project	Tenement	Status	Holder	Interest
Churchill Dam	EL5890	Granted	Riversgold (Australia) Pty Ltd	100%
Burt Lagoon	EL6162	Granted	Riversgold (Australia) Pty Ltd	100%
Eucolo Creek	EL6313	Granted	Riversgold (Australia) Pty Ltd	100%

Alaska, United States of America

Property	No of Claims	Status	Owner	Interest
Luna/Quicksilver	BP - 64	Granted	Afranex (Alaska) Limited	100%
	Luna - 38	Granted	Afranex (Alaska) Limited	100%
	NQ - 8	Granted	Afranex (Alaska) Limited	100%
Gemuk Mountain	GM - 52	Granted	Afranex (Alaska) Limited	100%
Midway Hill	MD - 70	Granted	Afranex (Alaska) Limited	100%

Riversgold Limited
ABN 64 617 614 598

Tenement Schedule

Cambodia

Exploration Application	Concession	Status	Applicant	Interest
Kang Roland South	Kang Roland South	Application	Cambodia Gold Pty Ltd	100%
Antrong	Kang Roland North	Application	Cambodia Gold Pty Ltd	100%
	Antrong	Application		
	Rapoah	Application		