



RIVERSGOLD_{LTD}

ABN 64 617 614 598

Financial Report
For the Half Year Ended 31 December 2020

Riversgold Ltd
ABN 64 617 614 598

Contents Page

| | |
|---|----|
| Corporate Directory | 3 |
| Directors' Report | 4 |
| Auditor's Independence Declaration | 6 |
| Interim Financial Statements | |
| Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income | 7 |
| Condensed Consolidated Statement of Financial Position | 8 |
| Condensed Consolidated Statement of Changes in Equity | 9 |
| Condensed Consolidated Statement of Cash Flows | 10 |
| Notes to the Condensed Consolidated Financial Statements | 11 |
| Directors' Declaration | 22 |
| Independent Auditor's Review Report | 23 |

Riversgold Ltd
ABN 64 617 614 598

Corporate Directory

Directors

Simon Andrew (Non-executive Chairman)
Xavier Braud (Executive Director)
Simon Bolster (Non-executive Director)

Company Secretary

Ms Oonagh Malone

Principal and Registered Office

Suite 23, 513 Hay Street
Subiaco WA 6008
Telephone (08) 6143 6747
Web www.riversgold.com.au

Auditor

HLB Mann Judd (WA Partnership)
Level 4, 130 Stirling Street
Perth, Western Australia 6000

Share Registry

Automic
Level 5, 126 Phillip Street
Sydney NSW 6000

Web <https://investor.automic.com.au/>
Email hello@automicgroup.com.au
Phone (within Australia) 1300 288 664
Phone (outside Australia) +61 2 9698 5414

Securities Exchange Listing

ASX Limited
Level 40, Central Park
152-158 St George's Terrace
Perth WA 6000
ASX Code - RGL.

Riversgold Ltd
ABN 64 617 614 598

Directors' Report

The Directors present the financial statements of Riversgold Ltd (**the Company**) and the entities it controlled (together, **the Group**) for the half year ended 31 December 2020.

Directors

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

| | |
|---------------|--------------------------|
| Simon Andrew | (Non-Executive Chairman) |
| Xavier Braud | (Executive Director) |
| Simon Bolster | (Non-Executive Director) |

Company Secretary

Oonagh Malone – *appointed 4 January 2021*

Amanda Burgess – *resigned 4 January 2021*

Review of Operations

The consolidated loss after income tax for the half year was \$313,392 (31 December 2019: \$488,265). At the end of the half year the Group had \$1,604,350 (30 June 2020: \$1,278,101) in cash and at call deposits.

During the half year, the Company:

- Continued focusing on the Kurnalpi Project in Western Australia with:
 - reinterpretation of geophysical data,
 - a soil sampling campaign based on the geophysical reinterpretation,
 - assay testing of these samples,
 - drilling targets identified from assay results at Cutler and Farr Jones,
 - a drilling program at Cutler,
 - a 3D seismic survey program at Queen Lepage,
 - preparation for further drilling, and
 - results of this exploration announced since the end of the half year.
- Received \$314,974 (\$USD225,000) from the farm out of Alaskan mineral exploration interests.
- Issued 73,795,947 ordinary shares at \$0.011 per share for \$811,755 before costs to complete tranche 2 of the 2020 capital raising.
- Issued a total of 9,175,743 ordinary shares for a total of \$159,272 on the exercise of various share options.

Riversgold Ltd
ABN 64 617 614 598

Directors' Report

Significant Changes in the State of Affairs

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

Matters Subsequent to the End of the Financial Period

Since the end of the half year:

- On 4 January 2021, Ms Oonagh Malone was appointed as Company Secretary.
- On 5 February 2021, the Company issued 1,000,000 share options exercisable at \$0.08 each and expiring 5 February 2024.
- On 5 February 2021, the Company issued 1,500,000 performance rights expiring 5 February 2026 and vesting on announcement of a JORC inferred resource of at least 250koz AU or equivalent, and 1,500,000 performance rights expiring 5 February 2026 and vesting on announcement of a JORC inferred resource of at least 550koz AU or equivalent.
- On 5 February 2021, the Company issued 750,000 ordinary shares in consideration for an option agreement.
- On 8 March 2021, the Company issued 3,000,000 share options exercisable at \$0.081 each and expiring 12 August 2023.
- On 8 March 2021, the Company issued 3,044,555 shares on exercise of options exercisable at \$0.03 each.
- The Company reported results from soil sampling program and the 3D seismic survey and completed the Cutler drilling program.

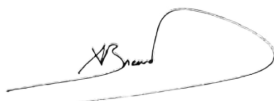
Apart from the above, there has not arisen in the interval between the end of the half-year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial periods.

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 16th day of March 2021.



Xavier Braud
Executive Director

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the consolidated financial report of Riversgold Limited for the half-year ended 31 December 2020, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

Perth, Western Australia
16 March 2021



D I Buckley
Partner

hlb.com.au

HLB Mann Judd (WA Partnership) ABN 22 193 232 714

Level 4, 130 Stirling Street, Perth WA 6000 / PO Box 8124 Perth BC WA 6849

T: +61 (0)8 9227 7500 **E:** mailbox@hlbwa.com.au

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 Ltd
ABN 64 617 614 598

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the half year ended 31 December 2020

| | Note | Consolidated | |
|--|------|-------------------------|-------------------------|
| | | 31 December 2020 \$ | 31 December 2019 \$ |
| Income | | | |
| Interest income | 3 | 949 | 266 |
| Proceeds from Alaskan farm out | 11 | 345,925 | - |
| Other income | | 22,500 | - |
| Total income | | <u>369,374</u> | <u>266</u> |
| Expenses | | | |
| Employee and director expenses | 3 | (148,188) | (180,153) |
| Share-based payments expense | 8 | (225,939) | (33,520) |
| Corporate expenses | | (101,369) | (86,096) |
| Administration and other expenses | | (152,661) | (148,290) |
| Depreciation expense | | (29,575) | (19,745) |
| Exploration costs expensed and written off | 5 | (22,930) | (18,235) |
| Financing costs | | (2,104) | (2,492) |
| | | <u>(682,766)</u> | <u>(488,531)</u> |
| Loss before income tax | 3 | (313,392) | (488,265) |
| Income tax expense | 3 | - | - |
| Loss after tax | | <u>(313,392)</u> | <u>(488,265)</u> |
| 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 | | (295,342) | (4,132) |
| Total comprehensive loss for the period | | <u>(608,734)</u> | <u>(492,397)</u> |
| | | Cents | Cents |
| Basic loss per share | | <u>(0.093)</u> | <u>(0.36)</u> |
| Diluted loss per share | | <u>(0.093)</u> | <u>(0.36)</u> |

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

Riversgold Ltd
ABN 64 617 614 598

Condensed Consolidated Statement of Financial Position
As at 31 December 2020

| | Note | Consolidated | |
|--|------|------------------------|--------------------|
| | | 31 December 2020 \$ | 30 June 2020 \$ |
| Current assets | | | |
| Cash and cash equivalents | | 1,604,350 | 1,278,101 |
| Trade and other receivables | 4 | 28,662 | 21,596 |
| Other current assets | | 27,331 | 6,535 |
| Total current assets | | 1,660,343 | 1,306,232 |
| Non-current assets | | | |
| Property, plant and equipment | | 32,906 | 55,312 |
| Right of use asset | | 22,569 | 33,854 |
| Capitalised exploration and evaluation expenditure | 5 | 4,957,359 | 4,853,257 |
| Total non-current assets | | 5,012,834 | 4,942,423 |
| Total assets | | 6,673,177 | 6,248,655 |
| Current liabilities | | | |
| Trade and other payables | 6 | 152,480 | 293,535 |
| Lease liability | | 25,204 | 20,777 |
| Employee leave liabilities | | 1,614 | 2,487 |
| Total current liabilities | | 179,298 | 316,799 |
| Non-current liabilities | | | |
| Lease liability | | - | 14,555 |
| Total non-current liabilities | | - | 14,555 |
| Total liabilities | | 179,298 | 331,354 |
| Net assets | | 6,493,879 | 5,917,301 |
| Equity | | | |
| Issued capital | 7 | 16,675,651 | 15,716,278 |
| Accumulated losses | | (13,285,397) | (12,972,005) |
| Reserves | 9 | 3,103,625 | 3,173,028 |
| Total equity | | 6,493,879 | 5,917,301 |

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

Riversgold Ltd
ABN 64 617 614 598

Condensed Consolidated Statement of Changes in Equity
For the half year ended 31 December 2020

| | Consolidated | | | | |
|--|----------------------|--------------------------|-----------------------------------|--|------------------|
| | Issued capital \$ | Accumulated losses \$ | Share based payment reserve \$ | Foreign currency translation reserve \$ | Total \$ |
| At 1 July 2019 | 13,625,834 | (11,310,972) | 2,073,655 | 133,547 | 4,522,064 |
| Loss for the period | - | (488,265) | - | - | (488,265) |
| Other comprehensive loss | - | - | - | (4,132) | (4,132) |
| Total comprehensive loss | - | (488,265) | - | (4,132) | (492,397) |
| Transactions with equity holders in their capacity as equity holders: | | | | | |
| Securities issued | 1,165,721 | - | - | - | 1,165,721 |
| Share issue costs | (61,337) | - | - | - | (61,337) |
| Share based payments | - | - | 8,387 | - | 8,387 |
| Balance at 31 December 2019 | 14,730,218 | (11,799,237) | 2,082,042 | 129,415 | 5,142,438 |
| At 1 July 2020 | 15,716,278 | (12,972,005) | 2,935,423 | 237,605 | 5,917,301 |
| Loss for the period | - | (313,392) | - | - | (313,392) |
| Other comprehensive loss | - | - | - | (295,342) | (295,342) |
| Total comprehensive loss | - | (313,392) | - | (295,342) | (608,734) |
| Transactions with equity holders in their capacity as equity holders: | | | | | |
| Securities issued | 971,028 | - | - | - | 971,028 |
| Share issue costs | (11,655) | - | - | - | (11,655) |
| Share based payments | - | - | 225,939 | - | 225,939 |
| Balance at 31 December 2020 | 16,675,651 | (13,285,397) | 3,161,362 | (57,737) | 6,493,879 |

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

Riversgold Ltd
ABN 64 617 614 598

Condensed Consolidated Statement of Cash Flows
For the half year ended 31 December 2020

| | Note | Consolidated | |
|--|------|---------------------------|---------------------------|
| | | 31 December 2020 \$ | 31 December 2019 \$ |
| Cash flows from operating activities | | | |
| Payments to suppliers and employees | | (356,561) | (143,215) |
| Interest received | | 949 | 266 |
| Other income | | 25,000 | - |
| Interest paid | | (948) | - |
| Net cash used in operating activities | | (331,560) | (142,949) |
| Cash flows from investing activities | | | |
| Payments for exploration and evaluation | | (436,774) | (496,972) |
| Proceeds from Alaskan farm out | | 314,974 | - |
| Net cash used in investing activities | | (121,800) | (496,972) |
| Cash flows from financing activities | | | |
| Proceeds from the issue of shares | | 801,471 | 1,065,189 |
| Payments for share issue costs | | (11,655) | (64,638) |
| Reduction in finance lease liabilities | | (10,128) | - |
| Repayment of borrowings | | - | (100,000) |
| Net cash provided by financing activities | | 779,688 | 900,551 |
| Net increase/(decrease) in cash held | | 326,328 | 260,630 |
| Cash at the beginning of the financial period | | 1,278,101 | 406,597 |
| Effect of exchange rate fluctuations on cash held | | (79) | 398 |
| Cash at the end of the financial period | | 1,604,350 | 667,625 |

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

Riversgold Ltd
ABN 64 617 614 598

Notes to the Condensed Consolidated Financial Statements
For the half year ended 31 December 2020

Note 1 Basis of preparation of half year report

Statement of compliance

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

These interim financial statements do not include all the notes of the type normally included in annual financial statements and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Group as the full financial statements. Accordingly, these interim financial statements are to be read in conjunction with the annual financial statements for the year ended 30 June 2020 and any public announcements made by Riversgold Ltd during the half-year reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The interim financial statements were approved by the Board of Directors on 16th March 2021.

Basis of preparation

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

Accounting policies and methods of computation

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

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

Adoption of new and revised Accounting Standards

Standards and Interpretations applicable to 31 December 2020

In the period ended 31 December 2020, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Group and effective for the current annual reporting period. As a result of this review, the Directors have determined that there is no material impact of the new and revised Standards and Interpretations on the Group.

The adoption of the new Conceptual Framework for Financial Reporting from 1 July 2020 has not led to any changes in accounting or disclosure for the Group, but the new Conceptual Framework may be referred to if accounting matters arise that are not addressed by accounting standards.

The adoption of the new definition of Material included in *AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material* from 1 July 2020 provides a new definition of material, which now extends materiality consideration to obscurity and clarifies that materiality now depends on the nature or magnitude of information.

Standards and interpretations in issue not yet effective

The directors have also reviewed all of the new and revised standards and interpretations in issue not yet effective for the half-year ended 31 December 2020.

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

Riversgold Ltd
ABN 64 617 614 598

Notes to the Condensed Consolidated Financial Statements
For the half year ended 31 December 2020

Going concern

As at 31 December 2020 the Group has cash assets of \$1,604,350, and total current liabilities at that date amounting to \$179,298. The loss for the six months to 31 December 2020 was \$313,392 of which \$22,930 related to the expensing and write off of exploration costs. Net operating and investing cash outflows for the six months to 31 December 2020 were \$453,360.

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

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

The directors are of the opinion that the Group is a going concern as the Group has more funds available than expected to be required for committed and required expenditure over the following year, and has the ability to scale back discretionary expenditure pending the timing of future capital raisings.

Significant accounting judgements and key estimates

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

The same judgments, estimates and assumptions were used in preparing the interim financial statements as those used in preparing the financial report for the year ended 30 June 2020, with the exception of valuation of share-based payments and the recognition of proceeds from the farm out of Alaskan mineral exploration interests. Refer to Notes 8 and 11 for further details.

Note 2 Segment information

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

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

The following tables present revenue and loss information and certain asset and liability information regarding operating segments for the half year ended 31 December 2020.

Riversgold Ltd
ABN 64 617 614 598

Notes to the Condensed Consolidated Financial Statements
For the half year ended 31 December 2020

Note 2 Segment information (continued)

2020

6 months ended December 2020

| | Australia \$ | Alaska \$ | Cambodia \$ | Consolidated \$ |
|--|-----------------|--------------|----------------|--------------------|
| Interest income | 949 | - | - | 949 |
| Proceeds on farm out of mineral exploration interest | - | 345,925 | - | 345,925 |
| Other income | 22,500 | - | - | 22,500 |
| Segment income | 23,449 | 345,925 | - | 369,374 |
| Segment gain/ (loss) before income tax expense | (657,188) | 343,796 | - | (313,392) |
| Segment assets | 4,709,983 | 1,963,184 | 10 | 6,673,177 |
| Segment liabilities | (179,298) | - | - | (179,298) |

2019

6 months ended December 2019

| | Australia \$ | Alaska \$ | Cambodia \$ | Consolidated \$ |
|--|-----------------|--------------|----------------|--------------------|
| Interest income | 266 | - | - | 266 |
| Segment revenue | 266 | - | - | 266 |
| Segment loss before income tax expense | (480,178) | (194) | (7,893) | (488,265) |
| Segment assets | 3,342,276 | 2,154,093 | - | 5,496,369 |
| Segment liabilities | (202,459) | (151,472) | - | (353,931) |

Riversgold Ltd
ABN 64 617 614 598

Notes to the Condensed Consolidated Financial Statements
For the half year ended 31 December 2020

| | Consolidated | |
|--|---------------------------|---------------------------|
| | 31 December 2020 \$ | 31 December 2019 \$ |

Note 3 Revenue and expenses

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

Revenue

| | | |
|-----------------|-----|-----|
| Interest income | 949 | 266 |
|-----------------|-----|-----|

Employee Expenses

| | | |
|----------------------|--------|---------|
| Salaries and wages | 28,708 | 19,047 |
| Directors Fees | 97,083 | 118,927 |
| Superannuation | 5,240 | 6,521 |
| Other employee costs | 17,157 | 35,658 |

| | | |
|-----------------------|---------|---------|
| Net employee expenses | 148,188 | 180,153 |
|-----------------------|---------|---------|

Administration and other Expenses include the following specific expenses:

| | | |
|--------------------|--------|--------|
| Insurance | 14,020 | 32,602 |
| Occupancy expenses | 2,734 | 25,651 |
| Marketing expenses | 7,513 | 2,879 |
| | 24,267 | 61,132 |

| | Consolidated | |
|--|------------------------|--------------------|
| | 31 December 2019 \$ | 30 June 2020 \$ |

Note 4 Current assets – Trade and other receivables

| | | |
|----------------|--------|--------|
| GST receivable | 28,662 | 17,287 |
| Trade debtors | - | 1,809 |
| Accrued income | - | 2,500 |
| | 28,662 | 21,596 |

Riversgold Ltd
ABN 64 617 614 598

Notes to the Condensed Consolidated Financial Statements
For the half year ended 31 December 2020

| | Consolidated | |
|--|------------------|--------------|
| | 31 December 2020 | 30 June 2020 |
| | \$ | \$ |

Note 5 Capitalised exploration and acquisition costs

| | | |
|---|------------------|------------------|
| Balance at the beginning of the period | 4,853,257 | 4,515,447 |
| <i>Movements during the period:</i> | | |
| Exploration expenditure incurred | 353,537 | 299,997 |
| Effect of movement in USD:AUD exchange rates | (226,505) | 37,813 |
| Capitalised costs written off during the half- year | (22,930) | - |
| Balance at the end of the period | 4,957,359 | 4,853,257 |

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

| | Consolidated | |
|--|------------------|--------------|
| | 31 December 2020 | 30 June 2020 |
| | \$ | \$ |

Note 6 Current liabilities – Trade and other payables

| | | |
|--|----------------|----------------|
| Trade and other payables | 131,415 | 103,538 |
| Accrued expenses | 18,159 | 18,500 |
| Employment related payables | 2,906 | 1,941 |
| Funds received for shares to be issued | - | 169,556 |
| | 152,480 | 293,535 |

Riversgold Ltd
ABN 64 617 614 598

Notes to the Condensed Consolidated Financial Statements
For the half year ended 31 December 2020

Note 7 Issued capital

a) Ordinary shares

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

| | Issue price | 31 December 2020 | | 30 June 2020 | |
|--|-------------|------------------|----|--------------|----|
| | | Number | \$ | Number | \$ |

b) Share capital

| | | | | |
|----------------------|--------------------|-------------------|-------------|------------|
| Issued share capital | 395,747,641 | 16,675,651 | 312,775,951 | 15,716,278 |
|----------------------|--------------------|-------------------|-------------|------------|

c) Share movements during the period

| | | | | | |
|---|--------------------|--------------------|-------------------|-------------|-----------------|
| Balance at the start of the period | 312,775,951 | 15,716,278 | 101,181,543 | 13,625,834 | |
| Shares issued under a Share Placement | \$0.01 | - | - | 40,000,000 | 400,000 |
| Shares issued on conversion of Directors' fees | \$0.01 | - | - | 10,053,332 | 100,533 |
| Shares issued under share Placement | \$0.01 | - | - | 96,018,841 | 960,188 |
| Shares issued under share Placement | \$0.011 | - | - | 65,522,235 | 720,745 |
| Shares issued under second tranche of share Placement | \$0.011 | 73,795,947 | 811,756 | - | - |
| Issue of shares on exercise of options | \$0.03 | 5,175,743 | 155,272 | - | - |
| Issue of shares on exercise of options | \$0.001 | 4,000,000 | 4,000 | - | - |
| Less share issue costs | | - | (11,655) | - | (91,022) |
| Balance at the end of the financial period | | 395,747,641 | 16,675,651 | 312,775,951 | 15,716,278 |

Riversgold Ltd
ABN 64 617 614 598

Notes to the Condensed Consolidated Financial Statements
For the half year ended 31 December 2020

Note 8 Options and share based payments

A net total of \$225,939 was recognised and expensed during the half-year for the following share-based payments and reversals:

- \$5,356 for Tranche 1 of Mr Andrews Options issued during 2020.
- (\$6,258) for reversal of Tranche 1 of Mr Davy's Options issued during 2020.
- (\$6,258) for reversal of Tranche 1 of Mr Boylson's Options issued during 2020.
- \$88,475 for Tranches 2 and 3 of the Director Options issued during 2020 that fully vested during the half year.
- (\$195,598) following revaluation at grant date of the Director options issued to Mr Braud and Mr Bolster as described in note 8a).
- \$102,800 for the Hartleys options described in note 8a).
- \$237,422 for expensing of performance rights over the expected vesting period as described in note 8d).

a) Options Issued during the period

The following options were issued during the half year:

- 69,659,090 free attaching share options with an exercise price of \$0.03 and expiry date of 12 August 2023 were issued on 12 August 2020 for no further consideration to participants in the capital raising. 5,175,743 of these options were exercised during the half year, as shown in note 7c), leaving 64,483,347 of these options on issue at 31 December 2020. These options were issued with nil value and nil expense recognised for accounting purposes.
- 10,000,000 share options, with an exercise price of \$0.03 and expiring 12 August 2023 were issued to Hartleys for advisory services on 12 August 2021 following shareholder approval on 6 August 2020. These have been valued as at a measurement date of 15 March 2020, being the approximate date of performance of most relevant services for these options. The total value of these options of \$102,800 has been recognised and fully expensed as a share-based payment during the half-year.
- A total of 12,000,000 Director options were issued to Mr Braud and Mr Bolster on 12 August 2020 following shareholder approval on 6 August 2020. These options vested immediately, have exercise prices ranging from \$0.049 to \$0.108, and expire on 12 August 2023. These options were initially recognised at 30 June 2020 with a total value of \$816,418 expensed as a share-based payment, but have been revalued as at their 6 August 2020 grant date at a total value of \$620,820. The initial valuation of these options as at 30 June 2020 and consequent revaluation of these options during the half year has been reflected with an expense of \$816,418 recognised in 2020, followed by a reversal of (\$195,598) during the half year, giving a final value of \$620,820.

Riversgold Ltd
ABN 64 617 614 598

Notes to the Condensed Consolidated Financial Statements
For the half year ended 31 December 2020

Note 8 Options and share based payments (continued)

The Hartleys and Director options are valued with the Black-Scholes formula, using the following parameters, with no expected dividends, and no discounts for other factors.

| Recipient | Measurement date | Expiry date | Exercise Price | Number of Options | Share Price at measurement date | volatility | interest rate | value per Option |
|------------|------------------|-------------|----------------|-------------------|---------------------------------|------------|---------------|------------------|
| Hartleys | 15/05/20 | 12/08/23 | \$0.03 | 10,000,000 | \$0.016 | 123% | 0.27% | \$0.01028 |
| Mr Braud | 6/08/20 | 12/08/23 | \$0.049 | 2,000,000 | \$0.06 | 176% | 0.27% | \$0.05318 |
| Mr Braud | 6/08/20 | 12/08/23 | \$0.057 | 2,000,000 | \$0.06 | 176% | 0.27% | \$0.05264 |
| Mr Braud | 6/08/20 | 12/08/23 | \$0.076 | 2,000,000 | \$0.06 | 176% | 0.27% | \$0.05151 |
| Mr Bolster | 6/08/20 | 12/08/23 | \$0.070 | 2,000,000 | \$0.06 | 176% | 0.27% | \$0.05185 |
| Mr Bolster | 6/08/20 | 12/08/23 | \$0.081 | 2,000,000 | \$0.06 | 176% | 0.27% | \$0.05125 |
| Mr Bolster | 6/08/20 | 12/08/23 | \$0.108 | 2,000,000 | \$0.06 | 176% | 0.27% | \$0.04998 |

b) Options exercised and on issue

A total of 9,175,743 share options were exercised during the half year as shown in note 7c): 5,175,743 share options with an exercise price of \$0.03 issued to investors, and 4,000,000 share options with an exercise price of \$0.001 that were issued to now former directors in 2020.

The following options lapsed, expired or became un-exercisable during the half-year:

- 4,000,000 of the Tranche 1 options, with an exercise price of \$0.001, and a former expiry date of 4 December 2022, that were issued to now former directors during 2020 who resigned before the end of the 24 month vesting periods.
- 18,750,000 share options granted on 3 July 2017 and 26 September 2017 with an exercise price of \$0.20 and an expiry date of 10 October 2020.

Riversgold Ltd
ABN 64 617 614 598

Notes to the Condensed Consolidated Financial Statements
For the half year ended 31 December 2020

Note 8 Options and share based payments (continued)

c) Options outstanding at balance date

The number of options outstanding over unissued ordinary shares at 31 December 2020 is 103,603,347 (30 June 2020: 39,870,000). The terms of these options are as follows:

| Date Granted or issued | Number | Exercise price | Expiry date |
|------------------------|--------------------|----------------|------------------|
| 15 May 2017 | 3,000,000 | 20 cents | 15 May 2022 |
| 1 March 2019 | 120,000 | 9 cents | 28 February 2023 |
| 28 November 2019 | 14,000,000 | 0.1 cents | 4 December 2022 |
| 12 August 2020 | 64,483,347 | 3 cents | 12 August 2023 |
| 12 August 2020 | 10,000,000 | 3 cents | 12 August 2023 |
| 12 August 2020 | 2,000,000 | 4.9 cents | 12 August 2023 |
| 12 August 2020 | 2,000,000 | 5.7 cents | 12 August 2023 |
| 12 August 2020 | 2,000,000 | 7.6 cents | 12 August 2023 |
| 12 August 2020 | 2,000,000 | 7 cents | 12 August 2023 |
| 12 August 2020 | 2,000,000 | 8.1 cents | 12 August 2023 |
| 12 August 2020 | 2,000,000 | 10.8 cents | 12 August 2023 |
| Total | 103,603,347 | | |

d) Performance rights

Issue of Performance Rights

Shareholders granted approval on 6 August 2020 for the issue of 50,000,000 performance rights to Quarterback Geological Consultants Pty Ltd ("**Quarterback**") as consideration for geological strategy and consultancy services to be provided. The Quarterback Performance Rights will convert into shares on a one for one basis on achievement of the following milestones, or lapse if performance milestones are not met within 5 years of the commencement date:

| Class | Performance Rights Award | Performance Milestone |
|---------|--------------------------|--|
| Class A | 25,000,000 | The Company makes an announcement, resulting from Quarterback's performance of the identifying Services, of a JORC inferred resource of 250koz of gold or gold equivalent, in relation to a Qualifying Project, on the ASX announcements platform on or before the Expiry Date |
| Class B | 25,000,000 | The Company makes an announcement, resulting from Quarterback's performance of the identifying Services, of a JORC inferred resource of 500koz of gold or gold equivalent, in relation to a Qualifying Project, on the ASX announcements platform on or before the Expiry Date |

These performance rights have been valued at the grant date share price of \$0.06 each for a total value of \$3,000,000. The value of these performance rights is being expensed over the expected vesting period from 13 August 2020 to 17 June 2025 with \$237,422 recognised as an expense during the half year.

Riversgold Ltd
ABN 64 617 614 598

Notes to the Condensed Consolidated Financial Statements
For the half year ended 31 December 2020

| | Consolidated | | | |
|--|--|---|---|---|
| | 31 December 2020 | | 30 June 2020 | |
| | Foreign exchange translation reserve ¹ \$ | Share based payment reserve ² \$ | Foreign exchange translation reserve \$ | Share based payment reserve \$ |

Note 9 Reserves

| | | | | |
|--|------------------|------------------|---------|-----------|
| Balance at the beginning of the period | 237,605 | 2,935,423 | 133,547 | 2,073,655 |
| <i>Movements during the period:</i> | | | | |
| Movement in foreign translation reserve in respect of exchange rate | (295,342) | - | 104,058 | |
| Movement in share based payment reserve in respect of share based payments | - | 225,939 | | 861,768 |
| Balance at the end of the period | (57,737) | 3,161,362 | 237,605 | 2,935,423 |

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

²The share based payment reserve is used to recognise the fair value of share based payments. See Note 8 for further information on share based payments.

Note 10 Dividends

No dividends were paid or proposed during the period.

The Company has no franking credits available as at 31 December 2020.

Note 11 Farm out of Alaskan tenements

During the half-year, the Group recognised revenue of \$345,925 (\$USD250,000) from the Mamba Minerals Alaska Earn in an agreement that is described in note 12 of the Financial Report for the year ended 30 June 2020. This includes a deposit of \$30,951 (\$US25,000) received during the prior year and two payments totalling \$314,974 (\$USD 225,000) received during the half year. These payments are recognised as revenue on receipt, with no receivable or contract liability recognised, because:

- no interest is required to be granted to the counterparty if all payments are not received by agreed deadlines,
- the payments are effectively payments for access to ground when compared to the total expenditure required by the counterparty,
- the counterparty has renegotiated a revised payment schedule to accommodate business disruption from the ongoing Covid-19 pandemic.
- The counter-party meets the definition of a customer in AASB 15 Revenue from Contracts with Customers paragraph 6 in that the counterparty has contracted with the Group to obtain access to mineral exploration interests that have been subject to exploration, which are an output of the ordinary activities of the Group.

Riversgold Ltd
ABN 64 617 614 598

Notes to the Condensed Consolidated Financial Statements
For the half year ended 31 December 2020

Note 12 Contingent Liabilities and Contingent Assets

The Company was notified of objections to expenditure exemptions and applications for forfeiture on several tenements during the half year. The Company considers these objections and applications without legal substance and will vigorously defend these complaints.

There has been no change in the contingent liabilities or contingent assets noted in the annual report for the year ended 30 June 2020.

Note 13 Events occurring after the balance date

Since the end of the half year:

- On 4 January 2021, Ms Oonagh Malone was appointed as Company Secretary.
- On 5 February 2021, the Company issued 1,000,000 share options exercisable at \$0.08 each and expiring 5 February 2024.
- On 5 February 2021, the Company issued 1,500,000 performance rights expiring 5 February 2026 and vesting on announcement of a JORC inferred resource of at least 250koz AU or equivalent, and 1,500,000 performance rights expiring 5 February 2026 and vesting on announcement of a JORC inferred resource of at least 550koz AU or equivalent.
- On 5 February 2021, the Company issued 750,000 ordinary shares in consideration for an option agreement.
- On 8 March 2021, the Company issued 3,000,000 share options exercisable at \$0.081 each and expiring 12 August 2023.
- On 8 March 2021, the Company issued 3,044,555 shares on exercise of options exercisable at \$0.03 each.
- The Company reported results from soil sampling program and the 3D seismic survey and completed the Cutler drilling program.

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

Note 14: Financial Instruments

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

Riversgold Ltd
ABN 64 617 614 598

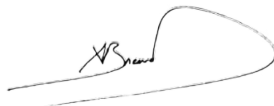
Directors' Declaration

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

- (a) the attached interim financial statements and notes thereto are in accordance with the Corporations Act 2001, including:
 - (i) complying with Australian Accounting Standards, the *Corporations Regulations 2001*, professional reporting requirements and other mandatory requirements; and
 - (ii) giving a true and fair view of the financial position as at 31 December 2020 and of the performance for the half-year ended on that date of the Group.
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

Signed at Perth this 16th day of March 2021.



Xavier Braud
Executive Director

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Riversgold Limited

Report on the Condensed Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Riversgold Limited ("the company") which comprises the condensed consolidated statement of financial position as at 31 December 2020, the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration, for the Group comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

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

- (a) giving a true and fair view of the Group's financial position as at 31 December 2020 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's responsibilities for the review of the financial report* section of our report. We are independent of the company 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 (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Responsibility of the directors for the financial report

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

hlb.com.au

HLB Mann Judd (WA Partnership) ABN 22 193 232 714

Level 4, 130 Stirling Street, Perth WA 6000 / PO Box 8124 Perth BC WA 6849

T: +61 (0)8 9227 7500 **E:** mailbox@hlbwa.com.au

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.

Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2020 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

Independence

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



HLB Mann Judd
Chartered Accountants

Perth, Western Australia
16 March 2021



D I Buckley
Partner