

11 May 2022

Update regarding Shortfall Offer

Riversgold Limited (ASX:RGL, “Riversgold” or the “Company”) provides the following update with regard to the shortfall arising from the 1 for 8 pro rata non-renounceable entitlement offer at \$0.017 per share as originally announced on 10 March 2022 (**Entitlement Offer**).

As noted on 4 May 2022, the Entitlement Offer was strongly supported by eligible shareholders, who applied for 75% of the shares available under the Entitlement Offer, raising approximately \$764,000 (before costs). Shortfall arising under the Entitlement Offer amounts to 20,871,504 shares, approximately \$355k (before costs) (**Shortfall Shares**).

The Board has decided to not allocate the Shortfall Shares at this time and has therefore asked the Company’s share registry, Automic, to refund the \$2.4m that has been subscribed for by shareholders in addition to their entitlement.

As disclosed in section 2.2 of the Company’s Prospectus dated 30 March 2022, the Company continues to reserve its right to allocate Shortfall Shares to selected new investors who are not related to the Company in their discretion. As set out in the Prospectus, the Company has until 2 August 2022 to allocate any Shortfall Shares and the Company reserves the right to do so. In the event the Company does allocate the Shortfall Shares (and as disclosed in the Prospectus), the Board, in exercising its discretion, will take into account a number of factors including the Company’s best interests, the applicant’s existing shareholdings, the extent to which an applicant has sold or bought shares in the Company before and after both the announcement of the rights issue and the record date, the financial needs of the Company and the optimal composition of the Company’s register.

The Company’s cash position has strengthened significantly in recent months to approximately \$3.1m, assuming the Tranche 2 placement and placement to directors is approved at the shareholder meeting on 19 May 2022, and we are now well funded to carry out our current lithium expansion plans. The Board therefore believes that it is in the best interests of the Company at this time to not allocate any Shortfall Shares and to return applicant funds.

This announcement was authorised for release by the Board of Riversgold Ltd.

For further information, please contact:

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