RIVERSGOLD LTD

Annual Report 2022

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RIVERSGOLD LTD
ABN 64 617 614 598

Corporate Directory

Directors
David Lenigas (Executive Chairman)
Simon Andrew (Non-executive Director)
Xavier Braud (Executive Director)

Company Secretary
Oonagh Malone

Chief Executive Officer
Julian Ford

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Securities Exchange Listing
Australian Securities Exchange (ASX)
Code: RGL
Home office: Perth

RIVERSGOLD LTD
ABN 64 617 614 598

Chairman's Letter

Dear Shareholders,

Since joining Riversgold as Executive Chairman in early March this year, it has been gratifying to see the increase in interest in the Company's shares and the progress made towards establishing the Company as a serious player on the Western Australian hard rock lithium scene.

My appointment coincided with the acquisition of a suite of projects highly prospective for lithium in the Pilbara Craton, marking something of a strategic reset for the Company after initially focusing on gold and nickel exploration in the WA goldfields and abroad.

Included in the Pilbara acquisition was the Tambourah Project, a collection of tenements 170km south of Port Hedland easily accessible by road and featuring geological similarities to the globally significant Pilgangoora and Wodgina lithium deposits nearby. Tambourah has rapidly emerged as a key plank in Riversgold's lithium strategy, with exploration carried out to date defining three priority targets – Lion, Bengal and Ragdoll – in the north-west corner of the main tenement. In a few short months, we have advanced Tambourah from a few outcropping lithium pegmatites to identifying over 40 lithium mineralised pegmatites that all require drilling.

It is exciting to be within sight of commencing drilling to test these targets; it is also worth noting that these targets have been identified through the mapping of just 7km of 34km of prospective greenstone-granite contact within the main tenement.

Since the end of the financial year, we have taken more major steps to advance our WA lithium strategy. In early August, we announced the acquisition of a 292km^{2}package of ground south of Southern Cross, near Marvel Loch in the southern Yilgarn Craton, making this group of tenements our second regional lithium play. The Yilgarn Craton is currently host to five hard rock lithium mines either in production or currently being built or commissioned and spodumene concentrate production from the region is forecast to increase by more than 80% by 2024 as the Greenbushes tailings retreatment project and the Mt Holland and Kathleen Valley Project come online. The Southern Cross-Forrestania greenstone belt has attracted significant attention from lithium hopefuls following the commercial success of Mt Holland, where a resource of 189Mt grading 1.5% Li_2O has now been defined.

Shortly after announcing our initial foray into the Southern Cross region, we fortuitously secured an option to acquire an 80% interest in the lithium rights over a 9.2km^2 tenement immediately to the east of the Mt Holland Project.

We look forward to progressing exploration on our Southern Cross-Marvel Loch tenements in tandem with work at Tambourah, while we also keep a watching brief for additional lithium opportunities in WA that might complement what is already a highly prospective project portfolio.

I would like to give credit to our Chief Executive Officer Julian Ford and our team of exploration geologists and field teams for a mountain of work in driving exploration efforts, and to my fellow Directors, Simon Andrew and Xavier Braud, for their input and advice in setting a new course for the Company.

In conclusion, I want to express my gratitude to you, our shareholders, for your ongoing support. We are building an exciting future and look forward to you joining us on the rest of the journey.

Yours sincerely,

David Lenigas
Executive Chairman

Operations Report

Riversgold has strategically refocused the Company from gold exploration to lithium exploration in the past financial year.

The use of innovative ground-breaking 3D seismic interpretation techniques targeting potential gold mineralisation along the Randall fault below the Yindarlgooda salt lakes was drilled in early 2021. The assay drill results became available in the second half of 2021 and showed that 3 of the 8 holes drilled intercepted mineralisation where expected, thus the program being deemed a technical success. However, a combination of high exploration costs and security of tenure risks resulted in a strategic review by the Company at the end of calendar year 2021. A number of exciting opportunities were identified in the lithium space and at the beginning of 2022, the Company announced the first of a number of lithium prospective acquisitions.

TAMBOURAH PROJECT – WESTERN AUSTRALIA

PROJECT OVERVIEW

The Tambourah Project is located 170km south of Port Hedland and covers an area of 108km^2 in the Pilbara Craton. It comprises two granted exploration licences, E45/5721 and E45/6115, and an exploration licence application, ELA 45/6213, in close proximity to the globally significant Pilgangoora and Wodgina lithium deposits.

Riversgold considers the geological setting of Tambourah – an unexplored greenstone belt on the margin of a granite contact – to bear many similarities to those that host major lithium-caesium-tantalum (LCT) systems such as Pilgangoora and Wodgina. The greenstone belt at Tambourah runs for approximately 25km north to south through the tenements at widths of approximately 5-6km.

The scale of this feature and the observed mineralisation were material factors in Riversgold's decision to prioritise Tambourah in its exploration strategy.

DUE DILIGENCE SITE VISIT AND HISTORICAL EXPLORATION

Prior to announcing the acquisition of the Tambourah Project in early March 2022, a Riversgold field team visited site to carry out due diligence activities including the collection of rock chip samples from outcropping pegmatites identified in the north-west corner of the main tenement.

Assays of these rock chip samples returned Li_2O values of up to 2.0% along with high rubidium, tantalum and caesium values, confirming the project's potential to host a large LCT system similar to Pilgangoora or Wodgina.

The samples were collected from two pegmatite outcrops approximately 20m apart and mapped over a strike length of 200m close to an area where, in 2013, Altura Mining collected several rock chips samples assaying up to 1.38% Li_2O. These results were never followed up by Altura or any subsequent tenement owner.

Riversgold also conducted a systematic review of all historical exploration work completed at Tambourah that revealed significant lithium values were encountered in rock chip samples collected by Fortescue Metals Group between 2015 and 2020. These results provided further confirmation of the presence of lithium mineralisation associated with pegmatites at the existing Ragdoll prospect (formerly named LTP01) and led Riversgold to identify a new prospect, Bengal, 1.5km to the north.

GEOPHYSICAL PROGRAM TO DEVELOP TARGETS

In April, Riversgold commenced reconnaissance fieldwork on the north-west corner of the main Tambourah tenement, targeting along-strike extensions to identified outcropping mineralisation and additional priority target areas. This initial program involved mapping and sampling of the Ragdoll and Bengal prospects and surrounding areas.

Extensive lepidolite mineralisation was observed at Bengal, visually confirming results reported by FMG in 2018. At Ragdoll, the contact zone between the granite to the east and the greenstone to the west was evaluated. Extensive paralleling pegmatites were observed along strike to the south-east of the defined prospect.

IDENTIFICATION OF LION PROSPECT

A 14-day mapping and sampling campaign was carried out at Tambourah over the Easter period, focusing on the 5.5km-long granite-greenstone contact from Bengal to where the Woodstock and Hillside road transects the tenement.

As part of this campaign, 14 rock chip samples were collected from the newly discovered Lion prospect, 200m south of Ragdoll, and submitted for assaying. The samples ultimately returned results up to 3.14% Li_2O and averaged 2.24% Li_2O over the entire batch. A further 51 samples were collected from other first and second stage pegmatites.

The mapping identified two pegmatite events, the latter of which is believed to have been caused by a younger granite intrusion of the split rocks groups. These younger pegmatites are known to carry lithium mineralisation within the Tambourah tenements.

Further fieldwork conducted by Riversgold subsequent to the end of the financial year, including the use of Deep Ground Penetrating Radar to better understand the subsurface expression of mineralisation, has seen the upgrading of the Bengal, Lion and Ragdoll prospects.

PROGRESS TO MAIDEN DRILLING PROGRAM

These targets will be the focus of an initial drilling program at Tambourah, anticipated to commence in the December 2022 quarter. To date, Riversgold has only explored 7km out of 34km of the prospective greenstone-granite contact where the LCT-rich first generation (G1) pegmatites are easily identified in the older gneiss. Within the 7km mapped contact, the current priority target covers an 800m strike length linking the Lion and Ragdoll prospects and will likely be explored as a single large mineralised system.

While the mineralisation observed to date comprised mainly lepidolite, it is Riversgold's hypothesis that, like Pilgangoora and Liontown Resources' Kathleen Valley Project, less weathering-resistant spodumene is likely to be present in fresh pegmatites at depth.

SX-MVL PROJECT – WESTERN AUSTRALIA

Subsequent to the end of the reporting period, Riversgold announced the acquisition of eight tenements (seven granted exploration licence and one exploration licence application) prospective for lithium south of Southern Cross near the historical mining centre of Marvel Loch in the southern Yilgarn Craton.

The land package covers 292km^2 of the Southern Cross greenstone belt, 63km from the globally significant Mount Holland Lithium Project owned by Wesfarmers Limited and SQM (Mineral Resource of 189Mt @ 1.5% Li_2O).

Multiple large pegmatite swarms have been interpreted from magnetic low features within the four Marvel Loch tenements that form part of the SX-MVL Project. Pegmatites have also been intersected in historical drilling on these tenements.

Shortly after the acquisition of the initial SX-MVL tenements, Riversgold announced it had secured an option to acquire an 80% interest in the lithium rights over a 9.2km^2 granted exploration licence immediately to the east of the Mt Holland Project (ASX: WES). The tenement is located approximately 500m east of a string of historical drillholes showing extensive lithium mineralisation.

Riversgold intends to apply a similar approach to exploration at the SX-MVL Project as it has at Tambourah, as it seeks to discover large LCT systems.

KURNALPI PROJECT – WESTERN AUSTRALIA

QUEEN LAPAGE DRILLING RESULTS

In November 2021, Riversgold received assays from eight diamond holes drilled at the Queen Lapage Prospect within the Kurnalpi Gold Project, 50km east of Kalgoorlie-Boulder. The assays showed several anomalous intervals confirming the presence of gold in the system and validating the Company's targeting methodology.

Companies associated with Riversgold's former and founding managing director had objected to exemptions granted by the DMIRS on four of the Kurnalpi's ten granted tenements. The Warden's Court hearing was held in April 2022.

GRANT OF NEW TENEMENT

In January 2022, Riversgold was granted E28/3034, a 109km^2 tenement in the centre of the Kurnalpi Project prospective for both nickel and gold. No exploration was conducted on the tenement during the period.

Directors' Report

The Directors present their report on Riversgold Ltd (the Company) and the entities it controlled (the Group) for the year ended 30 June 2022.

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.

David Lenigas B Science (Chemistry) Hons
Executive Chairman – Appointed 10 March 2022

Mr Lenigas is a qualified mining engineer with a Western Australian First Class Mine Managers Certificate. He has extensive corporate experience at chairman and chief executive officer level on many of the world's leading stock exchanges overseeing multiple business sectors. He has specific knowledge of the lithium industry having been an early influential funder and shareholder in corporate entities of both the Cinovec Lithium Project in the Czech Republic and the Sonora Lithium Project in Mexico, where he served as a director of Bacanora Minerals in its formative growth years and was key in negotiating a lithium supply contract with a major US electric car manufacturer.

Other Listed Company Directorships:	Odessa Minerals Limited (from 26 April 2022)
	Rincon Resources Limited (from 13 September 2022)
	NQ Minerals Plc (from 1 November 2019)
	Apollon Formularies Plc (to 12 April 2021)
	Anglo African Agriculture Plc (to 31 July 2021)
	Southern Hemisphere Mining Limited (to 5 February 2021)

Simon Andrew B Science (Chemistry) Hons
Non-executive Director – Appointed 28 August 2019 (former Chair until 10 March 2022)

Mr Andrew 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.

He was responsible for securing the financing for the purchase of the Tennant Creek assets for Emmerson Resources (ASX:ERM) and arranging the IPO in 2007.

Other Listed Company Directorships:	Mamba Exploration Limited (from 23 September 2020)
	Recharge Metals Ltd (from 5 February 2021 – listed 7 October 2021)
	Olympio Metals Limited (from 2 August 2021)
	Lotus Resources Limited (to 26 June 2020)

Xavier Braud MSc, B Science (Hons) MAIG
Non-executive Director – Appointed 10 June 2020 (formerly Executive Director until 10 March 2022)

Mr Braud is an experienced Geologist and mining analyst with over 15 years' experience in a broad range of deposits and commodities. His geological experience spans the whole spectrum of geology from greenfield exploration to resource definition and extension.

For the past three years Mr Braud has been a Resources/Mining Analyst at Patersons Securities Limited and Canaccord Genuity covering small and micro-caps ASX listed resources companies. This role involved researching companies at both technical and financial level.

Other Listed Company Directorships : nil

Julian Ford
Chief Executive Officer – Appointed 7 July 2021

Mr Ford is a highly credentialled mining executive with global experience including Australia, Africa, South East Asia and South America. Mr Ford has held senior positions within several major resource companies including Alcoa, British Gas London and Western Metals Limited and has managed a number of successful private and junior explorers worldwide. Most recently, Mr Ford was executive director and CEO of Gulf Minerals Pty Limited.

Mr Ford holds a degree in Chemical Engineering from the University of Natal, a Bachelor of Commerce from the University of South Africa and a Graduate Diploma in Business Management from the University of Western Australia. Mr Ford's experience includes managing junior mining companies, mining operations and startups with a wide range of experience in resource marketing, mineral process operations, underground mining and resource definition. In addition, he has a track record of capital raising success in debt, equity and mezzanine capital.

Oonagh Malone
Company Secretary – Appointed 4 January 2021

Ms Malone is a principal of a corporate advisory firm which provides company secretarial and administrative services. She has over 10 years' experience in administrative and company secretarial roles for listed companies and is a member of the Governance Institute of Australia. She currently acts as company secretary for ASX-listed African Gold Ltd, Aston Minerals Limited, Benz Mining Corp, Caprice Resources Limited, Carbine Resources Limited and RareX Limited. She is a non-executive director of Peak Minerals Limited.

Former Director Information

Simon Bolster B Science (Geography with Geology 1st Class) Hons
Non-Executive Director – Appointed 24 June 2020; resigned 10 March 2022

Mr Simon Bolster is a former Senior Manager at Newmont in charge of regolith geochemistry and remote sensing globally. Former Head of Exploration for Gryphon Minerals. More recently, Mr Bolster designed and managed greenfields exploration across West Africa, leading to multi-million-ounce gold discoveries on the Hounde and Loumana greenstone belt in Burkina Faso by Gryphon/Teranga Gold Corp. He is highly experienced in designing and managing geochemical programs in tropical and deeply weathered terrains.

Other Listed Company Directorships : African Gold Limited (from 23 February 2021)

Directors' Interests

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

Director	Directors' Interests in Ordinary Shares	Directors' Interests in Unlisted Options	Options vested at the reporting date
D Lenigas	6,000,000	20,000,000	20,000,000
S Andrew	15,852,940	-	-
X Braud	4,432,352	6,000,000	6,000,000

Directors' Meetings

The number of meetings of the Company's Directors held during the year ended 30 June 2022, and the number of meetings attended by each Director are as follows:

Director	Board of Directors' Meetings	
	Eligible to Attend	Attended
D Lenigas	1	1
S Andrew	6	6
X Braud	6	6
S Bolster	5	5

Principal Activities

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

Results of Operations

The consolidated loss after income tax for the financial year was $10,198,982 (2021: $1,634,151).

Review of Operations

During the year, the Company:

- Acquired the Pilbara Lithium Project.
- Continued its exploration programs on the Kurnalpi Project located in Western Australia including conducting soil sampling, a seismic survey and drill programs.
- Continued the divestment process for its Alaskan asset.

Financial Position

At the end of the financial year the Group had $2,862,101 (2021: $294,434) in cash and at call deposits. Capitalised mineral exploration and evaluation expenditure at 30 June 2022 was $4,729,942 (30 June 2021: $4,678,755).

Significant Changes in the State of Affairs

Other than referred to in this report, there were no other 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 had the following share option issues:

- 6,000,000 share options were issued and granted to new Chief Executive Officer, Julian Ford, on 7 July 2021. These options were issued with no vesting conditions and expire on 7 July 2024. 2,000,000 of these options have an exercise price of $0.048, 2,000,000 of these options have an exercise price of $0.055, and 2,000,000 of these options have an exercise price of $0.074.
- 20,000,000 share options were granted to new Executive Chairman, David Lenigas on 10 March 2022. These options were issued on 30 May 2022 with no vesting conditions, an exercise price of $0.05 and expire on 30 May 2025.

Options over Unissued Capital (continued)

As at the balance date, 57,201,144 unissued ordinary shares are under option as follows:

Date Granted or issued	Number	Exercise price	Expiry date
1 March 2019	120,000	9 cents	28 February 2023
12 August 2020	15,081,144	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
5 February 2021	1,000,000	8 cents	5 February 2024
8 March 2021	3,000,000	8.1 cents	12 August 2023
7 July 2021	2,000,000	4.8 cents	7 July 2024
7 July 2021	2,000,000	5.5 cents	7 July 2024
7 July 2021	2,000,000	7.4 cents	7 July 2024
10 March 2022	20,000,000	5.0 cents	30 May 2025
Total	**57,201,144**		

All options have vested at the balance date.

A total of 61,857,648 share options were exercised during the year:

- 51,857,648 share options with an exercise price of $0.03 that were issued in August 2020, and
- 10,000,000 share options with an exercise price of $0.001 that were issued to directors or now former directors in November 2019.

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

- 3,000,000 options with an exercise price of $0.20 and an expiry date of 15 May 2022 that expired without being exercised.
- 4,000,000 options granted on 28 November 2019 with an exercise price of $0.001 and an expiry date of 4 December 2022 that lapsed on 21 December 2021 after becoming incapable of vesting.

Subsequent to the end of the reporting period, on 9 August 2022, the Company issued 11,800,000 options with an exercise price of $0.05 and an expiry date of 9 August 2025, including 2,000,000 options for CEO Julian Ford and 2,000,000 options for Company Secretary Oonagh Malone.

Issued Capital

Number of Shares on Issue		
	2022	**2021**
Ordinary fully paid shares	756,429,999	404,042,196

Issued Capital (continued)

During the financial year the Company issued 352,387,803 shares as per below:

Type	Cents per Share	No of Shares
Issue of shares on exercise of options	3	51,857,648
Issue of shares on exercise of options	0.1	10,000,000
Shares issued under a Share Placement	1.7	69,117,646
Shares issued under a Rights issue	1.7	44,941,921
Shares issued in part consideration for acquisition of Pilbara Lithium Project	3.7	17,647,059
Shares issued for milestone payment for acquisition of Pilbara Lithium Project	4.2	158,823,529

There are no unpaid amounts on the shares issued.

Performance Rights

Quarterback Performance Rights

Performance Rights granted in the prior year will convert into one share per Performance Right on achievement of the relevant performance milestone by the expiry date, or lapse if the milestone is not met by the Expiry date. The following Performance Rights were on issue throughout 2022, with no changes.

Expiry date	Number of Performance Rights	Performance Milestone
17 June 2025	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.
17 June 2025	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.
5 February 2026	1,500,000	Announcement of a JORC inferred resource of 250koz Au or equivalent.
5 February 2026	1,500,000	Announcement of a JORC inferred resource of 500koz Au or equivalent.

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 9 August 2022, the Company issued 11,800,000 options with an exercise price of $0.05 and an expiry date of 9 August 2025, including 2,000,000 options for CEO Julian Ford and 2,000,000 options for Company Secretary Oonagh Malone.

On 10 August 2022, the Company issued 14,759,883 shares to acquire the SX-MVL project, with interests in 8 tenements, from an unrelated party.

On 30 August 2022, the Mining Warden upheld objections to the expenditure objections and recommended that the Minister refuse the applications for exemption. Consequently, the affected tenements E25/538, E25/539, E25/540 and E28/2580 have been fully impaired for a total impairment of $3,672,692 as disclosed in note 12. These tenements have only been impaired, not written off, because this matter is not finalised.

On 31 August 2022, the Company issued 4,054,054 shares to an unrelated vendor with a cash option fee of $150,000 to acquire a year option to acquire an 80% interest in the Lithium, Tantalum Tin, Caesium and Scandium rights in tenement E77/2784 for an exercise price of $700,000 and the vendor free carried to production.

Other than started above there has not arisen between the end of the financial year and the date of this report any item 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.

Likely Developments and Expected Results of Operations

The Company expects to continue its exploration programs at the projects in Western Australia.

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.

As 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.

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.

Remuneration Report (continued)

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.

In consideration of the services provided by Mr Simon Andrew as Non- Executive Chairman, Mr Andrew was paid a fee of $70,000 per annum until March 2022.Mr Andrew has been paid a fee of $60,000 per annum since April 2022 after transitioning to being a non-executive director.

In consideration of the services provided by Mr Simon Bolster as Non-executive Director until his resignation, Mr Bolster was paid a fee of $30,000 per annum.

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.

Engagement of Executive Directors

The Company entered into an executive service agreement with Mr Xavier Braud on 10 June 2020 on the following material terms and conditions:

Mr Braud receives a base salary of $30,000 per annum as a director. The Company also implemented a consulting agreement for additional fees to perform special duties outside the scope of the ordinary duties of a director, this consulting agreement is for a further $30,000 per annum. Mr Braud's remuneration did not change when he transitioned to being a non-executive director.

The Company entered into an agreement to David Lenigas as Executive Chairman on 10 March 2022 with the following material terms and conditions:

- Appointment commencing on 10 March 2022.
- Immediate cessation of appointment on resignation or in accordance with the constitution, with no termination period specified.
- A fee of $120,000 per annum inclusive of any compulsory superannuation, subject to annual review by the board.
- 20,000,000 share options with an exercise price of $0.05 and expiring three years from the issue date, subject to approval by shareholders at a general meeting in April 2022, with an alternative remuneration package of equivalent value negotiated in good faith if the shareholders did not approve these options. These options were valued for financial accounting purposes at 10 March 2022, not the shareholder approval date, because of the enforceable potential alternative remuneration.

Remuneration Report (Continued)

Chief Executive Officer

The Company entered into an executive service agreement on 7 July 2021 with Chief Executive Officer, Julian Ford, with the following material terms and conditions:

- a base salary of $150,000 per annum plus statutory superannuation and statutory leave entitlements,
- a 3 month minimum termination period or payment in lieu of notice for termination without cause.
- Issue of the following options, that were issued on 7 July 2021
  - 2,000,000 options with an exercise price of $0.048 and expiry date of 7 July 2024.
  - 2,000,000 options with an exercise price of $0.055 and expiry date of 7 July 2024.
  - 2,000,000 options with an exercise price of $0.074 and expiry date of 7 July 2024.
- Possible entitlement to a short-term incentive bonus, in the Board's absolute discretion.
- Annual review of the remuneration package.

Mr Ford's annual salary was increased to $220,000 per annum from April 2022, with a consequent increase in statutory superannuation and leave entitlements.

Short Term Incentive Payments

Each year, the Non-executive Directors set the Key Performance Indicators (KPIs) for Executive Directors. The KPIs 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 3 previous financial periods:

	2022	2021	2020	2019
Loss for the period attributable to shareholders	$10,198,982	$1,634,151	$1,661,033	$3,856,352
Closing share price at 30 June	2.6 cents	3.5 cents	7.8 cents	2 cents

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.

Remuneration Report (Continued)

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 David Lenigas	Executive Chairman (appointed 10 March 2022)
Mr Simon Andrew	Non-executive Director (Non-executive Chairman until March 2022)
Mr Xavier Braud	Non-executive Director (Executive Director until March 2022)
Mr Simon Bolster	Non-executive Director (resigned 10 March 2022)
Mr Julian Ford	Chief Executive Officer (appointed 7 July 2022)

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

30 June 2022	Short Term Benefits	Post-Employment Benefits	Other Long Term Benefits		
	Base Salary $	Superannuation Contributions $	Share Options[2] $	Total $	Proportion Performance Related %
David Lenigas	36,904	-	322,600	359,504	90
Simon Andrew	67,500	-	1,717	69,217	2
Xavier Braud[1]	60,000	-	-	60,000	-
Simon Bolster	20,833	-	-	20,833	-
Julian Ford	181,865	18,186	140,680	340,731	41
Total	**367,102**	**18,186**	**464,997**	**850,285**	**55**

[1] Includes consultancy fees amounting to $30,000.

[2] 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 Report (Continued)

30 June 2021	Short Term Benefits	Post-Employment Benefits	Other Long Term Benefits		
	Base Salary $	Superannuation Contributions $	Share Options[2] $	Total $	Proportion Performance Related %
Simon Andrew	70,000	-	40,117	110,117	36
Xavier Braud[1]	60,000	-	(98,875)	(38,875)	-[3]
Simon Bolster	30,000	-	(96,723)	(66,723)	-[3]
Justin Boylson	34,583	3,286	23,234	61,103	38%
Total	**194,583**	**3,286**	**(132,247)**	**65,622**	-[3]

[1] Includes consultancy fees amounting to $30,000.
[2] 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.
[3] No performance related proportion is given because negative amounts recognised for share based payments for the year, calculated in accordance with accounting standards, would make such proportion nonsensical.

Share and Options Granted as Remuneration

The following Options were granted and issued to Mr Julian Ford on his appointment on 7 July 2021. These options vested immediately.

	Number and Recipient	Exercise Price	Expiry date	Value per Option
Tranche 1	2,000,000 to Mr Ford (or his nominee)	$0.048	7 July 2024	$0.02450
Tranche 2	2,000,000 to Mr Ford (or his nominee)	$0.055	7 July 2024	$0.02376
Tranche 3	2,000,000 to Mr Ford (or his nominee)	$0.074	7 July 2024	$0.02208

The following Options were granted to Mr David Lenigas on his appointment on 10 March 2022 and issued on 30 May 2022 following shareholder approval on 19 May 2022. These options vested immediately. These options were effectively granted on 10 March 2022 because Mr Lenigas' agreement required an alternative remuneration package of equivalent value negotiated in good faith if the shareholders did not approve these options.

	Number and Recipient	Exercise Price	Expiry date	Value per Option
Tranche 1	20,000,000 to Mr Lenigas (or nominee)	$0.05	30 May 2025	$0.01613

Remuneration Report (Continued)

Exercise of Options Granted as Remuneration

During 2022, 6,000,000 ordinary shares were issued on exercise of 6,000,000 options with an exercise price paid of $0.001 and a value per option on exercise date of $0.089, that were granted as remuneration to Mr Simon Andrew in 2020. 4,000,000 shares were issued on exercise of 4,000,000 options with an exercise price paid of $0.001, that were granted as remuneration to now former Directors of the Company in 2020. No amount was unpaid for these options. No other shares were issued on exercise of options that were previously granted as remuneration to Directors or Key Management Personnel of the Company.

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

- 3,000,000 options with an exercise price of $0.20, and an expiry date of 15 May 2022 that expired on 15 May 2022.
- 4,000,000 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.

Equity instrument disclosures relating to key management personnel

Option holdings

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

2022	Balance at start of the year	Received during the year as remuneration	Other changes during the year(i)	Balance at the end of the year(ii)	Vested and exercisable at 30.06.2022(ii)
KMP					
David Lenigas	-	20,000,000	-	20,000,000	20,000,000
Simon Andrew	7,666,665	-	(7,666,665)	-	-
Xavier Braud	7,135,999	-	(1,135,999)	6,000,000	6,000,000
Simon Bolster	6,000,000	-	-	6,000,000	6,000,000
Julian Ford	-	6,000,000	-	6,000,000	6,000,000

(i) Other changes during the year relates to options exercised to acquire shares.
(ii) Balance at the end of the year or when a director ceased to be a director.

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.

2022	Balance at start of the year	Received during year as remuneration	Other changes during the year(ii)	Balance at the end of the year(i)
KMP				
David Lenigas	-	-	6,000,000	6,000,000
Simon Andrew	4,333,333	-	11,519,60	15,852,940
Xavier Braud	2,272,000	-	2,160,352	4,432,352
Simon Bolster	3,350,000	-	-	3,350,000
Julian Ford	-	-	2,941,177	2,941,177

(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 and shares issued on exercise of options.

Remuneration Report (Continued)

Loans made to key management personnel

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

Loans from key management personnel

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

Other transactions with key management personnel

During the year ended 30 June 2022, the Company incurred $32,948 (2021: $160,868) for research sponsorship and mineral exploration services provided by Portable PPB Pty Ltd, an entity associated with Mr Simon Bolster. These services provided by Portable PPB Pty Ltd were done so at an arm's length basis and on normal commercial terms. No amount (2021: $38,500) was owed to Portable PPB Pty Ltd at the end of the year.

End of Remuneration 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 30th day of September 2022.

David Lenigas
Executive Chairman

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the consolidated financial report of Riversgold Ltd for the year ended 30 June 2022, 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
30 September 2022

N G Neill
Partner

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RIVERSGOLD LTD
ABN 64 617 614 598

Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the financial year ended 30 June 2022

	Note	Consolidated 2022 $	Consolidated 2021 $
Continuing operations			
Interest revenue	5	**212**	2,502
Other income		**-**	22,500
Employee and director expenses	5	**(383,072)**	(230,654)
Share based payment expense	19	**(5,435,106)**	(704,889)
Corporate expenses		**(128,335)**	(158,400)
Administration and other expenses	5	**(593,155)**	(485,885)
Financing gain/ (loss)	5	**48,818**	(2,695)
Depreciation expense	11	**(28,668)**	(53,700)
Exploration costs impaired	12	**(3,672,692)**	-
Exploration costs expensed and written off	5	**(6,984)**	(22,930)
Loss before income tax		**(10,198,982)**	(1,634,151)
Income tax expense	6	**-**	-
Loss after tax from continuing operations		**(10,198,982)**	(1,634,151)
Loss after tax from discontinued operations	17	**-**	-
Loss for the year		**(10,198,982)**	(1,634,151)
Other comprehensive income, net of income tax			
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations		**43,294**	(243,060)
Total comprehensive loss for the year		**(10,155,688)**	(1,877,211)
		Cents	Cents
Basic and diluted loss per share from continuing operations	30	**(2.12)**	(0.40)
Basic and diluted loss per share	30	**(2.12)**	(0.40)

The above 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

Consolidated Statement of Financial Position
As at 30 June 2022

	Note	Consolidated 2022 $	Consolidated 2021 $
Current assets			
Cash and cash equivalents	7	**2,862,101**	294,434
Trade and other receivables	8	**15,805**	198,450
Current financial assets	10	**532,712**	-
Other current assets	9	**20,750**	9,617
Assets of disposal group	17	**2,194,902**	2,011,242
Total current assets		**5,626,270**	2,513,743
Non-current assets			
Property, plant and equipment	11	**7,962**	20,066
Right of use asset	11	**-**	11,283
Capitalised exploration and evaluation expenditure	12	**4,729,942**	4,678,755
Total non-current assets		**4,737,904**	4,710,104
Total assets		**10,364,174**	7,223,847
Current liabilities			
Trade and other payables	14	**475,252**	611,963
Employee leave liabilities	15	**38,477**	7,931
Lease liabilities	16	**-**	14,556
Liabilities of disposal group	17	**2,199,013**	665,070
Total current liabilities		**2,712,742**	1,299,520
Total liabilities		**2,712,742**	1,299,520
Net assets		**7,651,432**	5,924,327
Equity			
Issued capital	18	**27,711,842**	16,940,626
Accumulated losses		**(24,805,138)**	(14,606,156)
Reserves	20	**4,744,728**	3,589,857
Total equity		**7,651,432**	5,924,327

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

Consolidated Statement of Changes in Equity
For the financial year ended 30 June 2022

	Consolidated				
	Issued capital $	Accumulated losses $	Share-based payment reserve $	Foreign currency translation reserve $	Total $
At 1 July 2020	15,716,278	(12,972,005)	2,935,423	237,605	5,917,301
Loss for the year	-	(1,634,151)	-	-	(1,634,151)
Foreign currency translation	-	-	-	(243,060)	(243,060)
Total comprehensive loss	-	(1,634,151)	-	(243,060)	(1,877,211)
Transactions with equity holders in their capacity as equity holders:					
Shares issued	1,242,364	-	-	-	1,242,364
Share issue costs	(18,016)	-	-	-	(18,016)
Share-based payments:					
Employees/directors	-	-	659,889	-	659,889
Balance at 30 June 2021	16,940,626	(14,606,156)	3,595,312	(5,455)	5,924,327
At 1 July 2021	**16,940,626**	**(14,606,156)**	**3,595,312**	**(5,455)**	**5,924,327**
Loss for the year	**-**	**(10,198,982)**	**-**	**-**	**(10,198,982)**
Foreign currency translation	**-**	**-**	**-**	**43,294**	**43,294**
Total comprehensive loss	**-**	**(10,198,982)**	**-**	**43,294**	**(10,155,688)**
Transactions with equity holders in their capacity as equity holders:					
Shares issued	**6,504,742**	**-**	**-**	**-**	**6,504,742**
Share issue costs	**(57,055)**	**-**	**-**	**-**	**(57,055)**
Share-based payments:					
Employees/directors	**-**	**-**	**1,111,577**	**-**	**1,111,577**
Project acquisition	**4,323,529**	**-**	**-**	**-**	**4,323,529**
Balance at 30 June 2022	**27,711,842**	**(24,805,138)**	**4,706,889**	**37,839**	**7,651,432**

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

Consolidated Statement of Cash Flows
For the financial year ended 30 June 2022

	Note	Consolidated 2022 $	2021 $
Cash flows from operating activities			
Payments to suppliers and employees		**(888,463)**	(931,327)
Interest received		**212**	2,502
Other Income		**-**	25,000
Interest paid		**(320)**	(1,705)
Net cash used in operating activities	29	**(888,571)**	(905,530)
Cash flows from investing activities			
Payments for exploration and evaluation		**(911,621)**	(1,704,009)
Cash acquired on acquisition of subsidiary		**22,500**	-
Proceeds on disposal of mineral exploration interests		**905,841**	638,343
Payment for property, plant and equipment		**(5,583)**	-
Net cash used in investing activities		**11,137**	(1,065,666)
Cash flows from financing activities			
Proceeds from the issue of shares		**3,504,742**	1,027,808
Payments for share issue costs		**(57,055)**	(18,017)
Reduction in finance lease liabilities		**(7,866)**	(22,370)
Net cash from financing activities		**3,439,821**	987,421
Net increase / (decrease) in cash held		**2,562,387**	(983,775)
Cash at the beginning of the financial year		**294,434**	1,278,101
Effect of exchange rate fluctuations on cash held		**5,280**	108
Cash at the end of the financial year	7	**2,862,101**	294,434

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

Note 1 Summary of significant accounting policies

Riversgold Ltd ('the Company') is a listed public company domiciled in Australia. The consolidated financial report of the Company for the financial year ended 30 June 2022 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 30 September 2022.

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 2022, the Group incurred an operating loss of $10,198,982 and had net operating cash outflows of $888,571. The Directors are of the opinion that the Group is a going concern as it expects to be paid the remaining amounts receivable from redemption of the convertible note disclosed in note 16, while expenditures can be reduced to meet funds available.

The Group has cash of $2,862,101 as at 30 June 2022 and net current assets of $2,913,528 at 30 June 2022. The Group is due to receive a further $US380,531 or $AUD552,374 (calculated with 30 June 2022 AUD:USD rate of 0.6889) on redemption of the convertible note in December 2022 and expects to receive a Research & Development refundable tax offset for the year ended 30 June 2021 of $521,097 based on the tax return lodged post year end (which has not been accrued).

Should the Group not receive expected value from realisation of the convertible note, not receive the expected Research & Development refundable tax offset, not raise further funds as required or reduce expenditure to meet funds available, there exists a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern, in which case it may be required to realise its assets and extinguish its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements. This financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts or classification of liabilities and appropriate disclosures that may be necessary should the Group be unable to continue as a going concern.

Statement of Compliance

The consolidated financial report of Riversgold Ltd 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.

Note 1 Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

Adoption of New and Revised Standards

Standards and Interpretations applicable to 30 June 2022

In the financial year ended 30 June 2022, 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.

Standards and Interpretations in issue not yet effective

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2022.

The Directors have reviewed all of the new and revised Standards and interpretations in issue not yet adopted that are relevant to the Group and effective for reporting periods beginning on or after 1 July 2022. 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 issue and not yet adopted by the Group and therefore no material change is necessary to Group accounting policies.

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.

Note 1 Summary of significant accounting policies (continued)

(c) Revenue

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.

Income is only classifiable as revenue from contracts with customers if the income is from agreed commercial contracts with specified rights to assets or services to be transferred, specified payment terms, probable payment by the customer, and have consideration exchanged for assets or services that are an output of Group's ordinary activities. Sales of assets that are not an output of the Group's ordinary activities are outside the definition of revenue.

Interest revenue is recognised on a time proportionate 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.

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.

Note 1 Summary of significant accounting policies (continued)

(e) Leases

Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any remeasurement of lease liabilities

The Group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

(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.

Note 1 Summary of significant accounting policies (continued)

(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.

(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.

Note 1 Summary of significant accounting policies (continued)

(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.

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 (farminer'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 farminee 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.

Note 1 Summary of significant accounting policies (continued)

(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.

(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.

Note 1 Summary of significant accounting policies (continued)

(o) Share-based payments

Share-based payments
Share-based payments are made when the Group issues or grants shares, performance rights, share options or cash settled share based payments to counterparties, including directors and employees, in consideration for goods or services. These may be subject to vesting conditions.

Fair values of options, performance rights and shares granted are recognised as a share based payment expense with a corresponding increase in equity unless other classifications are more appropriate. Fair values are measured at grant date and recognised over the period during which the counterparty become unconditionally entitled to the share-based payments.

Fair values at grant date of share options are 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. Fair values at grant date of performance rights and shares are based on the Company's closing share price at the grant date. Fair values of share-based payments are adjusted to reflect market based 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 share based payment expense recognised each period takes into account the most recent estimates.

Proceeds receive on the exercise of options, net of any directly attributable transaction costs, are credited to share capital.

(p) 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.

(q) 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.

(r) Comparative figures

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

Note 1 Summary of significant accounting policies (continued)

(s) 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.

(t) 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, it's carrying value is written off.

<u>Financial assets at fair value through profit or loss</u>

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.

<u>Financial assets at fair value through other comprehensive income</u>

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

Note 1 Summary of significant accounting policies (continued)

(t) Investments and other financial assets (continued)

Impairment of financial assets

The Group 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.

(u) 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.

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.

Note 1 Summary of significant accounting policies (continued)

(u) Fair value estimation (continued)

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.

(v) Disposal groups and discontinued operations.

A disposal group is a group of assets to be disposed of, by sale or otherwise, in a single transaction, along with liabilities directly associated with those assets. Disposal groups are recognised when the disposal group is available for immediate sale in its present condition, subject to usual terms for such sale, and the sale is highly probable.

Disposal groups are initially valued at the lower of the net carrying amount of assets and liabilities in the disposal group, or of the fair value less expected selling costs. Disposals groups are revalued at each balance date, but gains are only recognised to the extent that the gains reverse previous impairment losses.

Disposal groups that are clearly distinguished from the rest of the Group and a separate business line or geographical area of operations are recognised as discontinued operations. Profits or losses of discontinued operations are separately identified in the Consolidated Statement of Profit or Loss and Other Comprehensive Income. Assets and liabilities of disposal groups are separately disclosed in the Consolidated Statement of Financial Position.

Note 1 Summary of significant accounting policies (continued)

(w) Foreign currency translation

The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each group entity are expressed in Australian dollars ('$'), which is the functional currency of the Company and the presentation currency for the consolidated financial statements.

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Nonmonetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences on transactions entered into in order to hedge certain foreign currency risks; and
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into Australian dollars using exchange rates prevailing at the end of the reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, loss of joint control over a jointly controlled entity that includes a foreign operation, or loss of significant influence over an associate that includes a foreign operation), all of the accumulated exchange differences in respect of that operation attributable to the Group are reclassified to profit or loss.

There is no reclassification of accumulated exchange differences to profit or loss on recognition of a disposal group or discontinued operation before the actual disposal occurs.

Note 2 Financial risk management

The Group has exposure to various risks from its use of financial instruments. This note describes the Group's exposure to specific risks, and 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.

Convertible note

As disclosed in note 10, no allowance is made for credit risk for the convertible notes because these notes are effectively secured against the Afranex project for which the counterparty has paid $USD1,164,900 or $AUD1,582,646 (actual AUD amount received in Group's bank accounts).

Assets of disposal group and Convertible note held

As disclosed in note 3, the Directors believe the expected proceeds from sale of US subsidiary Afranex (Alaska) Limited, which holds all US assets, are highly likely, and with no expected loss if the counterparty is unable to complete the payments. Although this is not a financial asset, the expected sale amounts are the basis for valuing the assets of the disposal group without any impairment.

(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 liquidity risk by monitoring cash reserves and forecast spending. Management is cognisant of the future demands for financial resources to finance the Company's current and future operations, and considers liquid assets available before committing 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.

Note 2 Financial risk management (continued)

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 expected proceeds from sale, assets and liabilities of the disposal group disclosed in note 17 are denominated in USD.

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.

As disclosed in note 10, the Group has a convertible note receivable in USD that is valued at 30 June 2022 at $USD366,985 or $AUD532,712, based on the 30 June 2022 AUD:USD spot rate of 0.6889.

Other than the above, the Group does not have any direct contact with foreign exchange fluctuations other than their effect on the general economy and their effect on valuations for the disposal group disclosed in note 17.

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.

During the year the Group continued defending against objections to expenditure exemptions and applications for forfeiture on several Western Australian tenements that were made during the prior year.

On 30 August 2022, subsequent to year end, the Mining Warden upheld the objections to the expenditure objections and recommended that the Minister refuse the applications for exemption. Consequently, the affected tenements E25/538, E25/539, E25/540 and E28/2580 have been fully impaired for a total impairment of $3,672,692 as disclosed in note 12. These tenements have only been impaired, not written off, because this matter is not finalised.

Non-recognition of amount receivable for expected Research & Development tax refund

No amount receivable has been recognised for the expected Research & Development refundable tax offset for the year ended 30 June 2022 of $521,097. This follows the policy in note 1(h) and the requirement of *AASB120 Accounting for Government Grants and Disclosure of Government Assistance* paragraph 7(a) that grants are not recognised before there is reasonable assurance of compliance with the grant conditions, because the grant conditions include considerable analysis, documentation and decisions that were not final before 30 June 2022.

Note 3 Critical accounting estimates and judgements (continued)

Accounting for share-based payments

Values of share-based payments have been estimated based on the fair values of equity instruments granted. Fair values of share-based payments are estimated as disclosed in note 1(o). Some parameters for valuation models, particularly volatility, are subject to significant judgement. The sensitivity of valuations to changes in parameters varies considerably, but option valuations can be particularly sensitive to volatility. See note 19 for details.

Pilbara Lithium Project acquisition

17,647,059 shares were issued on 18 March 2022 as initial consideration for the acquisition of the Pilbara Lithium Project at an agreed valued of $0.017 per share for a total agreed value of $300,000. The closing share price on 18 March 2022 was $0.037 per share, giving a total market value of the shares issued for initial consideration for the Pilbara Lithium Project of $652,941. A further 158,823,529 shares were issued on 30 May 2022 as a milestone payment finalising the acquisition of the Pilbara Lithium Project, at an agreed value of $0.017 per share for a total agreed value of $2,700,000 for the milestone shares, and a total agreed value for the Pilbara Lithium Project acquisition of $3,000,000. The closing share price on 30 May 2022 was $0.042, giving a total market value of the milestone payment shares of $6,670,588 and a total market value of the shares issued to acquire the Pilbara Lithium Project of $7,323,529.

The Pilbara Lithium Project acquisition has been valued at $3,000,000 throughout the period, because this was the genuinely negotiated value with external parties, and values of lithium exploration projects vary for different reasons from values of lithium mines. The $0.017 per share was reasonably used as the underlying share price because of the contemporaneous capital raising and rights issue at this share price. This valuation is despite increases in lithium prices over the period because the economics of lithium projects is affected by many more factors than lithium prices. In particular, high spot prices may attract more investors in other projects and depress future lithium prices in a flooded market – as is common in mineral price cycles. Consequently, $3,000,000 is reasonably capitalised as cost of acquiring mineral exploration interests, but the remaining value of the purchase consideration shares of $4,323,529 is reasonably immediately expensed because it is in excess of the fair value of the project. This $4,323,529 is expensed as a share based payment as disclosed in note 19.

Use of the valuation of the acquired Pilbara Lithium Project at $3,000,000 follows Accounting Standard *AASB 2 Share-based Payments* paragraph 13 because the presumption that the fair value of the project can be estimated reliability has not been rebutted. The immediate expensing of the additional $4,323,529 follows *AASB 2 Share-based Payments* paragraph 13A because this excess value represents an unidentified good or service received, possibly representing additional value placed on the enterprise following a shift in strategic direction or board changes or effects of equity markets for junior explorers being inefficient, with these unidentified goods or services not meeting the definition of an asset.

Recognition of disposal group

The Group agreed to sell its US subsidiary Afranex (Alaska) Limited, which holds all US assets and related liabilities, on 12 April 2021. This met the recognition criteria for a disposal group as outlined in Note 1(v).

The previous farm out agreement was terminated by this sale agreement. Receipts of $USD290,000 received under the previous farm out agreement form part of the new share sale agreement's sale consideration, hence this revenue that was previously recognised in the 31 December 2020 interim financial statements was reclassified at 30 June 2021 to unearned revenue in disposal group's assets and liabilities as the sale was not complete at 30 June 2021 or 30 June 2022.

Note 3 Critical accounting estimates and judgements (continued)

The assets of the disposal group, which consist solely of capitalised tenement acquisition costs and mineral exploration expenditure have a net carrying amount of $AUD2,194,902 (2021: $AUD2,011,242), and are not impaired because the expected sale proceeds of $USD1,514,900 or $AUD2,199,013 (at 30 June 2022 AUD:USD spot rate of 0.6889) plus future contingent payments are in excess of the carrying amount of the assets.

The $USD1,514,900 ($AUD2,199,013) received to 30 June 2022 (30 June 2021: $USD500,000 or $AUD665,070) is recognised as a liability because it would be refundable if the Group withdraws from the sale for reasons other than redemption or conversion (at the Company's election) of the convertible notes. This $USD1,514,900 ($AUD2,199,013) includes the convertible notes disclosed in note 10 because completion of the sale requires redemption or conversion of the convertible notes.

The 12 April 2021 sale agreement had the following payment terms:

- $USD290,000 already received under the terminated farm out agreement;
- $USD60,000 that was received on 12 April 2021;
- $USD150,000 receivable by 21 April 2021 that was received on 22 April 2021;
- $USD500,000 receivable by 21 June 2021 (amended to $USD250,000 by 20 July 2021 and $USD300,000 by 31 August 2021 – only $USD400,000 of these amounts were received by 31 August);
- $USD500,000 receivable by 20 August 2021
- Completion not occurring until all above payments had been made, with no transfer of until all payments had been received;
- The Group being able to keep all funds received to date and terminate this agreement if any instalment is more than five business days overdue.
- Payment of the instalments guaranteed by Australian entity Clutch Group Pty Ltd.
- An uncapped gross revenue royalty of 1.5% on all minerals produced from the Alaskan tenements;
- $USD1,000,000 payable on the definition of an inferred mineral resource of 500,000 oz Au; and
- $USD1,000,000 payable on the definition of an inferred mineral resource of 1,000,000 oz Au.

Following delayed payments, the payment schedule was repeatedly revised and the convertible notes disclosed in note 10 were included in the required payments. Following these revisions, a total of $USD664,900 or $AUD905,841 (using exchange rates at dates that funds were received in the Group's bank accounts) was received during 2022, for a total amount received since May 2020 of $USD1,164,900 or $AUD1,582,645 (using exchange rates at dates that funds were received in the Group's bank accounts), plus the outstanding convertible notes disclosed in note 10. The revisions had no effect on the 1.5% royalty or $USD1,000,000 contingent bonus payments.

No impairment for potential non-payment has been recognised at 30 June 2022 because the only remaining effective payment is conversion (at the Company's election) or redemption of the convertible notes. This is considered highly likely because the potential retention of the full project on non-payment on redemption would lead to the Group keeping the full project with no refund of payments received to date.

This sale is not treated as revenue from contracts with customers because the assets in the disposal group are not an output of the ordinary activities of the Group. Although the Group explores and develops mineral exploration interests, the Group does not ordinarily put these assets in a form to enable due diligence and sale.

See note 17 for details of the disposal group.

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 2022 and 30 June 2021.

30 June 2022	Australia $	Discontinued operation (Alaska) $	Cambodia $	Consolidated $
Interest income	212	-	-	212
Other Income	-	-	-	-
Segment income	212	-	-	212
Segment loss before income tax expense	10,186,671	-	12,311	10,198,982
Current assets	3,431,368	2,194,902	-	5,626,270
Non-current assets	4,737,904	-	-	4,737,904
Segment assets	8,169,272	2,194,902	-	10,364,174
Segment liabilities	513,729	2,199,013	-	2,712,742
Included within segment loss				
Depreciation	28,668	-	-	28,668
Exploration costs expensed and written off	6,984	-	-	6,984
Employee and director expenses	383,072	-	-	383,072
Interest expense	242	-	-	242
Included within segment assets				
Fixed asset expenditure during the period	-	-	-	-
Exploration incurred during the period	3,728,537	-	-	3,728,537
Cash flow information				
Net cash outflows from operating activities	(888,571)	-	-	(888,571)
Net cash (outflows)/ inflows from investing activities	(894,704)	905,841	-	11,137
Net cash inflows from financing activities	3,439,821	-	-	3,439,821

Note 4 Segment information (continued)

30 June 2021	Australia $	Discontinued operation (Alaska) $	Cambodia $	Consolidated $
Interest income	2,502	-	-	2,502
Other Income	22,500	-	-	22,500
Segment income	25,002	-	-	25,002
Segment loss before income tax expense	1,634,151	-	-	1,634,151
Current assets	502,501	2,011,242	-	2,513,743
Non-current assets	4,710,104	-	-	4,710,104
Segment assets	5,212,605	2,011,242	-	7,223,847
Segment liabilities	634,450	665,070	-	1,299,520
Included within segment loss				
Depreciation	53,700	-	-	52,618
Exploration costs expensed and written off	22,930	-	-	22,930
Employee and director expenses	230,654	-	-	230,654
Interest expense	1,560	-	-	1,560
Included within segment assets				
Fixed asset expenditure during the period	-	-	-	-
Exploration incurred during the period	2,039,795	-	-	2,039,795
Cash flow information				
Net cash outflows from operating activities	(905,530)	-	-	(905,530)
Net cash (outflows)/ inflows from investing activities	(1,658,123)	592,457	-	(1,065,666)
Net cash inflows from financing activities	987,421	-	-	987,421

Note 5 Loss for the year

	Consolidated 2022 $	2021 $
Loss before income tax includes the following specific income and expenses:		
Income		
Interest income	**212**	2,502
ATO Cash Flow Boost	**-**	22,500
Employee expenses		
Salaries and wages	**(323,462)**	(119,358)
Directors' fees	**(155,237)**	(162,083)
Superannuation	**(32,346)**	(13,852)
Annual leave provided for	**(30,546)**	(5,445)
Other employee costs	**(31,231)**	(33,028)
Plus: amount allocated to exploration	**189,750**	103,112
Net employee expenses	**(383,072)**	(230,654)
Administration and other expenses		
Insurance	**(42,942)**	(34,197)
Legal fees	**(262,934)**	(259,261)
Marketing expenses	**(42,175)**	(7,884)
Accountancy	**(170,961)**	(99,507)
Other expenses	**(74,143)**	(85,036)
	(593,155)	(485,885)
Financing gain/ (loss):		
Interest expense	**(242)**	(1,560)
Increase in value of convertible note (see note 10)	**44,975**	-
Written off debtor	**(1,737)**	-
Other foreign exchange movements	**5,822**	(1,125)
	48,818	(2,685)
Exploration costs expensed and written off:		
Unallocated exploration costs	**(2,325)**	-
Capitalised exploration costs written off	**(4,659)**	(22,930)
	(6,984)	(22,930)

Note 6 Income tax

	Consolidated 2022 $	2021 $
a) Reconciliation of income tax expense to prima facie tax payable		
Profit/(Loss) from continuing operations before income tax expense	**(10,198,982)**	(1,634,151)
Tax at the Australian rate of 30%	**(3,059,695)**	(490,245)
Capital raising costs claimed	**(44,237)**	(40,220)
Non-deductible share-based payments	**1,630,532**	211,467
Other non-deductible expenses	**4,855**	129
Net deferred tax asset benefit not brought to account	**1,468,545**	318,869
Tax (benefit)/expense	**-**	-
b) Deferred tax – Statement of Financial Position		
Assets		
Revenue losses available to offset against future taxable income	**2,384,553**	2,639,493
Disposal group	**7,777**	311,319
Cambodian tenement applications	**1,946,545**	1,945,862
Capitalised exploration - Australia	**800,086**	-
Deductible equity raising costs	**27,203**	55,373
Other unrecognised deferred tax balances	**39,117**	35,815
	5,205,281	4,987,862
Liabilities		
Convertible notes	**(13,493)**	-
Capitalised exploration - Australia	**-**	(1,157,361)
Disposal group – unearned revenue	**-**	(199,521)
Net deferred tax asset not recognised	**5,191,788**	3,630,980

Unrecognised deferred tax balances are based on the best available information, but are uncertain because of variations in tax treatment of capital losses on foreign assets. Available tax losses are Australian tax revenue losses of $7,948,511 ($5.321,325 per 2021 Australian consolidated tax return) with no capital losses available. Foreign tax losses are not included because of the nature of the Cambodian assets and the disposal group. All unused tax losses were incurred by Australian entities.

Note 6 Income tax (continued)

The deferred tax benefit of tax losses not brought to account will only be obtained if:
(i) The Group derives future assessable income of a nature and an amount sufficient to enable the benefit from the tax losses to be realised;
(ii) The Group continues to comply with the conditions for deductibility imposed by tax legislation; and
(iii) No changes in tax legislation adversely affect the Group realising the benefit from the deduction of the losses.

	Consolidated	
	2022	2021
	$	$

Note 7 Current assets - Cash and cash equivalents

Cash at bank and on hand	**2,862,101**	294,434
Total cash and cash equivalents	**2,862,101**	294,434

(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	**2,862,101**	294,434

Note 8 Current assets – Trade and other receivables

Trade Debtors	**50**	2,032
GST receivable	**15,755**	196,418
	15,805	198,450

Debtors totalling $1,737 were written off during the year, including no amounts that were receivable at 30 June 2021. Details of fair value and exposure to interest risk are included at note 21.

Note 9 Current assets – Other current assets

Prepayments	**14,215**	3,082
Rental Bond	**6,095**	6,095
Security bond	**440**	440
	20,750	9,617

Note 10 Current financial assets

	Consolidated 2022 $	2021 $
Convertible note acquired on 13 December 2021 (see note 17)	**487,737**	-
Accrued interest receivable on convertible note	**23,591**	-
Foreign exchange movement	**21,384**	-
Balance at the end of the period	**532,712**	-

The Group acquired 350,000 convertible notes in private company Mamba Minerals LLC (Mamba) at $US1 per convertible note for a total value of $USD350,000 or $AUD487,737 on 13 December 2021. These notes:

- Are denominated and valued in United States Dollars (USD).
- Convert at the sole election of the Company into shares in Mamba at a share price of $USD0.025 per share.
- Have an annual interest rate of 8% per annum with interest calculated daily.
- Were to be converted to shares in Mamba or redeemed with payment in cash by 13 June 2022. This expiry date was extended to 13 December 2022 with no effect on the valuation of the notes.
- Are secured against the remaining sale of US subsidiary Afranex (Alaska) Limited, as disclosed in note 6, with completion of the Afranex sale contingent on the conversion or redemption of the notes.

These notes were valued at their face value on 13 December 2021 of $USD350,000 or $AUD487,737, calculated with an AUD:USD FX rate of 0.7175, because no value has been ascribed to the conversion feature. This nil value is based on valuing the conversion feature as an option to acquire shares on conversion using the Black-Scholes model with the following parameters:

- An exercise price of $USD0.025 per share, with Black-Scholes valuation performed in USD.
- A discount on the value per share at acquisition of 60% to reflect the non-marketability and lack of control of potential shares in a private company.
- An expected volatility of 30%.
- A risk-free interest rate for valuation purposes of 0.11%.
- An issue date of 13 December 2021 and expected expiry date of 13 June 2022. This expiry date was extended to 13 December 2022 with no effect on the valuation of the notes.

These notes were valued at $USD366,985 or $AUD532,712 on 30 June 2022, calculated with an AUD:USD FX rate of 0.6889 and no value ascribed to the conversion feature using similar parameters to the above. The increase in value from 13 December 2021 to 30 June 2022 of $AUD44,975 is due to interest receivable recognised of $AUD23,591 before a foreign exchange gain of $AUD21,384. These movements are included in the balance of the Financing gain/ (loss) as disclosed in note 5.

No allowance has been made for credit risk because these notes are secured against the Afranex project for which the counterparty has already paid $USD 1,164,900 or $AUD1,582,646 at the exchange rates at payment dates.

These notes have been valued as tier 3 financial assets, the lowest level of the fair value hierarchy disclosed in note 1(u), because the valuation model for the conversion feature is not based on observable market data.

Notes to the Consolidated Financial Statements
For the financial year ended 30 June 2022

Note 11 Non-Current assets – Property, plant and equipment

	Consolidated 2022 $	2021 $
Leasehold Improvements		
At cost	**-**	11,142
Accumulated depreciation	**-**	(8,028)
	-	3,114
Field equipment		
At cost	**9,611**	9,611
Accumulated depreciation	**(9,611)**	(9,582)
	-	29
Office equipment		
At cost	**73,269**	67,686
Accumulated depreciation	**(65,307)**	(58,926)
	7,962	8,760
Motor Vehicles		
At cost	**47,497**	47,497
Accumulated depreciation	**(47,497)**	(39,334)
	-	8,163
Total property, plant and equipment	**7,962**	20,066
Right-to-use Asset		
At cost	**-**	45,139
Accumulated depreciation	**-**	(33,856)
	-	11,283
Reconciliation		
Leasehold Improvements		
Opening net book value	**3,114**	8,685
Disposals	**(302)**	-
Depreciation	**(2,812)**	(5,571)
Closing net book value	**-**	3,114
Field equipment		
Opening net book value	**29**	2,098
Depreciation	**(29)**	(2,069)
Closing net book value	**-**	29
Office equipment		
Opening net book value	**8,760**	24,490
Additions	**5,583**	-
Disposals	**-**	(4,116)
Depreciation	**(6,381)**	(11,614)
Closing net book value	**7,962**	8,760
Motor Vehicles		
Opening net book value	**8,163**	20,038
Depreciation	**(8,163)**	(11,875)
Closing net book value	**-**	8,163
Right-of-Use Asset		
Opening net book value	**11,283**	33,854
Additions	**-**	-
Depreciation	**(11,283)**	(22,571)
Closing net book value	**-**	11,283

Note 11 Non-Current assets – Property, plant and equipment (continued)

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

The Company leased an office in January 2020. This lease is reflected on the statement of financial position as a right-of-use asset and a lease liability. The company classifies its right-of-use assets in a consistent manner to its property plant and equipment. The lease was for a term of two years with an option for a further 4 years that was not exercised.

Note 12 Capitalised exploration and evaluation expenditure

		Consolidated	
		2022	2021
	Note	**$**	$
Balance at the beginning of the year		**4,678,755**	4,853,257
Purchase of Pilbara Lithium Project (see note 3)		**3,000,000**	-
Stamp duty on acquisition of Pilbara Lithium Project		**148,415**	-
Exploration expenditure incurred		**580,122**	2,041,073
Foreign exchange movement before recognition of disposal group		**-**	(181,403)
Recognition of disposal group (see note 17)		**-**	(2,011,242)
Capitalised costs impaired during the financial year		**(3,672,692)**	-
Capitalised costs written off during the financial year	5	**(4,659)**	(22,930)
Balance at the end of the year		**4,729,942**	4,678,755

The Group has recognised an impairment of previously capitalised exploration costs in respect of West Australian and South Australian tenements as disclosed in note 3.

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 13 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 party to joint arrangements during the year.

b) Farm-in Arrangements

The Group was party to the following farm-in arrangements during 2022 and 2021:

<u>Alloy Joint Venture – Earning In</u>

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.

Note 13 Interests in joint ventures and farm-in arrangements (continued)

b) Farm-in Arrangements (continued)

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.

Mamba Minerals Alaska Joint Venture – Earning In

In 2020, the Company signed a cash and earn-in agreement with Mamba Minerals LLC (Mamba Minerals) for its gold exploration portfolio in southwest Alaska, USA. The agreement was inclusive of Riversgold's 100%-owned state mining claims over the high-grade Gemuk/Luna/Quicksilver gold project.

On 12 April 2021, this agreement was terminated by the sale agreement disclosed in note 16. The $US290,000 ($AUD403,436) that had been paid under this joint venture agreement to 12 April 2021 now forms part of the purchase consideration for the sale agreement as described in note 17.

Note 14 Current liabilities – Trade and other payables

	Consolidated 2022 $	2021 $
Trade payables	**264,220**	474,921
Stamp duty payable on Pilbara Lithium Project acquisition	**148,415**	-
Accrued expenses	**29,331**	109,000
Payment owed for Pilbara Lithium acquisition	**22,500**	-
Employment related payables	**10,786**	28,042
	475,252	611,963

Liabilities are not secured over the assets of the Group. Details of fair value and exposure to interest risk are included at note 21.

	Consolidated 2022 $	2021 $
Note 15 Current liabilities - Employee leave liabilities		
Annual leave liability	**38,477**	7,931
Note 16 Lease Liabilities		
Current Liability	**-**	14,556
Non-Current Liability	**-**	-
Closing Balance	**-**	14,556
Changes in liabilities arising from financing activities:		
Opening balance	**14,556**	35,332
Initial recognition	**-**	-
Interest charged	**242**	1,594
Principal repayment	**(14,892)**	(22,370)
Closing Balance	**-**	14,556

Note 17 Sale of Alaskan interests and recognition of disposal group

As disclosed in note 3, the group has recognised a disposal group for the Alaskan assets that are being sold with the sale of US subsidiary Afranex (Alaska) Limited. The assets of the disposal group consist solely of capitalised mineral exploration interests, with no movements during 2022 other than revaluation in the functional currency of the subsidiary, USD.

The liabilities of the disposal group consist solely of funds received to date for the potential sale, and the convertibles notes received on 13 December 2021. These liabilities are valued at the transaction amounts and translated at the 30 June 2022 exchange rates because the functional currency of the subsidiary is USD.

Note 17 Sale of Alaskan interests and recognition of disposal group (continued)

	Consolidated 2022 $	2021 $
Financial position of disposal group		
Assets		
Capitalised mineral exploration interests	**2,194,902**	2,011,242
Total Assets	**2,194,902**	2,011,242
Liabilities		
Funds of $USD500,000 received in advance for the sale in 2020 and 2021	**665,070**	665,070
Funds of $USD664,900 received in Group's bank accounts during 2022	**905,841**	-
Value of $USD350,000 in convertible notes on issue date of 13 December 2021	**487,737**	-
Foreign exchange revaluation	**140,365**	-
Total Liabilities	**2,199,013**	665,070
Net assets	**(4,111)**	1,346,172
Financial performance		
Administration and other expensed	**-**	-
Loss after income tax	**-**	-
Cash flow information		
Net cash outflows from operating activities	**-**	-
Net cash inflows from investing activities	**905,841**	592,457
Net cash flows from financing activities	**-**	-
Total cash inflows/ (outflows)	**905,841**	592,457

Foreign currently translation movements are not separately recognised for the disposal group until the disposal group is derecognised on loss of control.

Although the value of the disposal group is expected to be realised in $USD, and the funds received in advance are denominated in $USD, these are not considered financial instruments by relevant accounting standards, except for the convertible note receivable. However, the Group had a net outstanding amount receivable at 30 June 2021 of $USD1,000,000 or $AUD1,330,141, in addition to royalty and contingent payments.

Note 18 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.

	Issue price	30 June 2022		30 June 2021	
		Number	$	Number	$
b) Share capital					
Issued share capital		**756,429,999**	**27,711,842**	404,042,196	16,940,626
c) Share movements during the year					
Balance at the start of the period		**404,042,196**	**16,940,626**	312,775,951	15,716,278
Shares issued under a Share Placement	$0.011	-	-	73,795,947	811,755
Issue of shares on exercise of options	$0.03	**51,857,648**	**1,555,729**	12,720,298	381,609
Issue of shares on exercise of options	$0.001	**10,000,000**	**10,000**	4,000,000	4,000
Issue of shares in consideration for option to acquire tenements	$0.06	-	-	750,000	45,000
Shares issued under a Share Placement	$0.017	**69,117,646**	**1,175,000**	-	-
Shares issued under a Rights issue	$0.017	**44,941,921**	**764,013**	-	-
Shares issued in part consideration for acquisition of Pilbara Lithium Project	$0.037	**17,647,059**	**652,941**	-	-
Shares issued for milestone payment for acquisition of Pilbara Lithium Project	$0.042	**158,823,529**	**6,670,588**	-	-
Less share issue costs		-	**(57,055)**	-	(18,016)
Balance at the end of the financial year		**756,429,999**	**27,711,842**	404,042,196	16,940,626

Note 19 Options and share-based payments

The current Riversgold Ltd Employee Security Incentive Plan ("the Plan") was approved on 27 November 2020. All eligible Directors, employees and consultants of Riversgold Ltd are eligible to participate in the Plan.

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

A net total of $5,435,106 was recognised and expensed during 2022 (2021: $704,889) for the following share-based payments:

- $1,717 for Tranche 1 of Mr Andrew's Options issued during 2020 that vested during the year.
- $618,994 for expensing of Quarterback performance rights over the expected vesting period as described in note 19h).
- A total of $140,680 for the Employee options granted to Mr Ford as described in note 19a).
- A total of $322,600 for the Director options granted to Mr Lenigas as described in note 19a).
- $27,586 for expensing of Employee performance rights over the expected vesting period as described in note 19h).
- $4,323,529 for expensing the difference between the market value of $652,941 for the 17,647,059 shares issued on 18 March 2022 when the closing share price was $0.037, plus the market value of $6,670,588 for the 158,823,529 shares issued on 30 May 2022 when the closing share price was $0.042, less the $3,000,000 arms' length agreed value of the Pilbara Lithium value that is reasonably presumed to have maintained this value throughout the period, without rebuttal of this presumption. See notes 12 and 18 for details.

a) Options issued during the period

The following options were issued during the year:

- 6,000,000 share options were issued and granted to new Chief Executive Officer, Julian Ford, on 7 July 2021. These options were issued with no vesting conditions and expire on 7 July 2024. 2,000,000 of these options have an exercise price of $0.048, 2,000,000 of these options have an exercise price of $0.055, and 2,000,000 of these options have an exercise price of $0.074. These options have all been valued as at the grant date of 7 July 2021 and expensed immediately as they vested on issue.
- 20,000,000 share options were granted to new Executive Chairman, David Lenigas on 10 March 2022. These options were issued on 30 May 2022 with no vesting conditions, an exercise price of $0.05 and expire on 30 May 2025.

  These 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	Value of tranche
Mr Ford	7/07/21	7/07/24	$0.048	2,000,000	$0.036	125%	0.21%	$0.02450	$49,000
Mr Ford	7/07/21	7/07/24	$0.055	2,000,000	$0.036	125%	0.21%	$0.02376	$47,520
Mr Ford	7/07/21	7/07/24	$0.074	2,000,000	$0.036	125%	0.21%	$0.02208	$44,160
Mr Lenigas	10/03/22	30/05/25	$0.05	20,000,000	$0.034	84%	1.81%	$0.01613	$322,600

Note 19 Options and share based payments (continued)

b) Options exercised and on issue

A total of 16,720,298 share options were exercised during the year as shown in note 18c): 51,857,648 share options with an exercise price of $0.03 that were issued in August 2020, and 10,000,000 share options with an exercise price of $0.001 that were issued to directors or now former directors in November 2019.

c) Options cancelled during the period

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

- 3,000,000 options with an exercise price of $0.20 and an expiry date of 15 May 2022 that expired without being exercised.
- 4,000,000 options granted on 28 November 2019 with an exercise price of $0.001 and an expiry date of 4 December 2022 that lapsed on 21 December 2021 after becoming incapable of vesting..

d) Options on issue at the balance date

The number of options outstanding over unissued ordinary shares at 30 June 2022 is 57,201,144 (30 June 2021: 100,058,792). The terms of these options are as follows:

Date Granted or issued	Number	Exercise price	Expiry date
1 March 2019	120,000	9 cents	28 February 2023
12 August 2020	15,081,144	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
5 February 2021	1,000,000	8 cents	5 February 2024
8 March 2021	3,000,000	8.1 cents	12 August 2023
7 July 2021	2,000,000	4.8 cents	7 July 2024
7 July 2021	2,000,000	5.5 cents	7 July 2024
7 July 2021	2,000,000	7.4 cents	7 July 2024
10 March 2022	20,000,000	5.0 cents	30 May 2025
Total	**57,201,144**		

Note 19 Options and share-based payments (continued)

e) Subsequent to the balance date

On 9 August 2022, the Company issued 11,800,000 options with an exercise price of $0.05 and an expiry date of 9 August 2025, including 2,000,000 options for CEO Julian Ford and 2,000,000 options for Company Secretary Oonagh Malone.

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

	2022		2021	
	No.	WAEP (cents)	No.	WAEP (cents)
Options outstanding at the start of the period	**100,058,792**	**3.84**	39,870,000	10.94
Options issued to investors	**-**	**-**	69,659,090	3.00
Options granted during the period	**26,000,000**	**5.21**	26,000,000	5.79
Options exercised during the period	**(61,857,648)**	**2.53**	(16,720,298)	2.31
Options cancelled and expired unexercised during the period	**(7,000,000)**	**8.63**	(18,750,000)	20.0
Options outstanding at the end of the period	**57,201,144**	**5.28**	100,058,792	3.84

g) Weighted average contractual life

The weighted average remaining contractual life for un-exercised options is 22 months (2021: 24 months).

h) Performance rights

Quarterback 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

Note 19 Options and share-based payments (continued)

These performance rights were 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 $618,994 (2021: $544,375) recognised as an expense during the year.

Employee Performance Rights

The Company granted and issued on 5 February 2021 3,000,000 performance rights to an employee under the Employee Security Incentive Plan. The Employee 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 by the expiry dates:

Class	Performance Rights Award	Performance Milestone
Class A	1,500,000	Announcement of a JORC inferred resource of 250koz Au or equivalent on or before the Expiry Date of 5 February 2026
Class B	1,500,000	Announcement of a JORC inferred resource of 500koz Au or equivalent on or before the Expiry Date of 5 February 2026

These performance rights were valued at $0.046 each for a total value of $138,000. The value of these performance rights is being expensed over the expected vesting period from 5 February 2021 to 5 February 2026 with $27,586 (2021: 10,958) recognised as an expense during the year.

Note 20 Reserves

	Consolidated			
	2022		2021	
	Foreign exchange translation reserve[(i)]	**Share-based payment reserve[(ii)]**	Foreign exchange translation reserve	Share-based payment reserve
	$	**$**	$	$
Balance at the beginning of the year/period	**(5,455)**	**3,595,312**	237,605	2,935,423
Movement in foreign translation reserve in respect of exchange rate	**43,294**	**-**	(243,060)	-
Movement in share-based payment reserve in respect of options issued	**-**	**464,997**	-	104,556
Movement in share-based payment reserve in respect of performance rights issued	**-**	**646,580**	-	555,333
Balance at the end of the year/period	**37,839**	**4,706,889**	(5,455)	3,595,312

(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 and performance rights issued.

Note 21 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).

No allowance has been made for credit risk for the convertible notes disclosed in note 10 because these notes are secured against the Afranex project for which the counterparty has already paid $USD 1,164,900 or $AUD1,582,646 at the exchange rates at payment dates.

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 ($)	
	2022	**2021**
Fixed rate instruments		
Financial assets	**532,712**	-
Variable rate instruments		
Financial assets	**2,862,101**	294,434

At Balance date the Group is not materially exposed to interest rate risk.

Notes to the Consolidated Financial Statements
For the financial year ended 30 June 2022

Note 21 Financial instruments (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 $
2022							
Trade & other payables	**475,252**	**475,252**	**475,252**	**-**	**-**	**-**	**-**
Lease Liability	**-**	**-**	**-**	**-**	**-**		
	475,252	**475,252**	**475,252**	**-**	**-**	**-**	**-**
2021							
Trade & other payables	611,963	611,963	611,963	-	-	-	-
Lease Liability	14,556	14,556	11,076	3,480	14,798		
	626,519	626,519	623,039	3,480	14,798	-	-

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			
	2022		2021	
	Carrying amount $	**Fair value $**	Carrying amount $	Fair value $
Cash and cash equivalents	**2,862,101**	**2,862,101**	294,434	294,434
Trade other receivables	**15,805**	**15,805**	198,450	198,450
Current financial assets	**532,712**	**532,712**	-	-
Trade and other payables	**(475,252)**	**(475,252)**	(611,963)	(611,963)
Lease Liability	**-**	**-**	(14,556)	(14,556)
	2,935,366	**2,935,366**	(133,635)	(133,635)

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

Foreign exchange risk
As disclosed in note 10, the Group has a convertible note receivable in USD that is valued at 30 June 2022 at $USD366,985 or $AUD532,712, based on the 30 June 2022 AUD:USD spot rate of 0.6889.

Increasing or decreasing the 30 June 2022 AUD:USD spot rate of 0.6889 by 100 points to 0.6989 or 0.6789 would change the 30 June 2022 value of these notes from $AUD532,712 to $AUD525,089 or $AUD540,558 respectively, for an additional (decrease) or increase in value of ($AUD7,623) or $AUD7,846 respectively.

Other than the above, the Group does not have any direct contact with foreign exchange fluctuations other than their effect on the general economy and their effect on valuations for the disposal group disclosed in note 17.

Note 22 Dividends

No dividends were paid or proposed during the financial year ended 30 June 2022.

The Company has no franking credits available as at 30 June 2022.

Note 23 Key management personnel disclosures

(a) *Directors and key management personnel*

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

David Lenigas - appointed Executive Chairman on 10 March 2022)
Simon Andrew – Non-executive Chairman until 10 March 2022, then Non-executive director
Xavier Braud, - Non-executive Director
Simon Bolster – resigned as Non-executive Director on 10 March 2022.

Julian Ford was appointed Chief Executive Officer on 7 July 2021

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:

	2022 **$**	2021 $
Total short-term employment benefits	**367,102**	194,583
Total share-based payments[1]	**464,997**	(132,247)
Total post-employment benefits	**18,186**	3,286
	850,285	65,622

[1] The fair value of share based payments granted to Directors as remuneration is included in the financial statements over the periods that they vest.

Note 24 Remuneration of auditors

	2022 $	2021 $
Audit and review of the Company's financial statements	**36,225**	25,390
Total	**36,225**	25,390

Note 25 Contingencies

(a) Contingent liabilities

There were no material contingent liabilities not provided for in the financial statements of the Group as at 30 June 2022 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.

Plainted tenements

As disclosed in note 3, subsequent to year end, the Mining Warden upheld objections to the expenditure objections and recommended that the Minister refuse applications for expenditure exemption for tenements E25/538, E25/539, E25/540 and E28/2580. These tenements have been fully impaired for a total impairment of $3,672,692 as disclosed in note 12. These tenements have only been impaired, not written off, because this matter is not finalised. If these tenements are not forfeited then the Group may be required to pay fines to keep the tenements up to a total of $120,000.

(b) Contingent assets

There were no material contingent assets as at 30 June 2022 other than contingent payments receivable on the sale of Alaskan interests as disclosed in note 17.

Note 26 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 $741,500 (2021: $647,000), including $354,000 (2021: nil) for tenements that have been fully impaired as disclosed in note 12.

(b) Contractual Commitment

There are no material contractual commitments as at 30 June 2022 and 30 June 2021 not otherwise disclosed in the Financial Statements.

Note 27 Related party transactions

(a) Subsidiaries

Subsidiary Company	Country of Incorporation	Parent	Ownership Interest	
			30 June 2022	30 June 2021
Riversgold (Australia) Pty Ltd	Australia	Riversgold Ltd	**100%**	100%
Cambodia Gold Pty Ltd	Australia	Riversgold Ltd	**100%**	100%
Afranex Gold Pty Ltd	Australia	Riversgold Ltd	**100%**	100%
Afranex (Alaska) Limited[1]	USA	Afranex Gold Pty Ltd	**100%**	100%
North Fork Resources Pty Ltd	Australia	Afranex Gold Pty Ltd	**100%**	100%
RGL MVL Pty Ltd[2]	Australia	Riversgold Ltd	**100%**	-
EV Minerals Pty Ltd[3]	Australia	Riversgold Ltd	**100%**	-

1. Afranex (Alaska) Limited is being sold and forms the disposal group disclosed in note 17. However, the sale will not be completed until the convertible notes disclosed in note 10 are redeemed or converted, at the discretion of the Group.
2. RGL MVL Pty Ltd was incorporated on 17 June 2022.
3. EV Minerals Pty Ltd was acquired on 17 March 2022.

The ultimate controlling party of the group is Riversgold Ltd.

(b) Acquisition of EV Minerals Pty Ltd

EV Minerals Pty Ltd was 100% acquired and controlled on 17 March 2022 with the acquisition of all shares by Riversgold Ltd. It has the following assets and liabilities at acquisition with the following transactions:

	17 March 2022 $
17,647,059 Shares issued on 18 March 2022 when closing share price was $0.037	**652,941**
158,823,529 Shares issued on 30 May 2022 when closing share price was $0.042, as a milestone payment on the granting of tenement EL45/5721	**6,670,588**
Total market value of shares issued	**7,323,529**
Less excess purchase consideration expensed as a share-based payment as disclosed in note 19	**(4,323,529)**
Net consideration	**3,000,000**
Net assets acquired	
Cash and cash equivalents acquired	**22,500**
Capitalised value of Pilbara Lithium Project as valued per the acquisiton agreement	**3,000,000**
Trade and other payable assumed on acquisition	**(22,500)**
Net assets acquired	**3,000,000**

Note 27 Related party transactions (continued)

(c) 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 2022 $	30 June 2021 $
Riversgold (Australia) Pty Ltd	**6,148,776**	5,723,486
Afranex Gold Pty Ltd	**678,091**	2,071,668
Cambodia Gold Pty Ltd	**317,742**	305,441
EV Minerals Pty Ltd	**154,833**	-

(d) Transactions with Directors

Transactions with Directors, as directors of the Company, during the year are disclosed at Note 23 – Key Management Personnel.

During the year ended 30 June 2022, the Company incurred $32,948 (2021: $160,868) for research sponsorship and mineral exploration services provided by Portable PPB Pty Ltd, an entity associated with Mr Simon Bolster. These services provided by Portable PPB Pty Ltd were done so at an arm's length basis and on normal commercial terms. No amount (2021: $38,500) was owed to Portable PPB Pty Ltd at the end of the year.

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

Note 28 Events occurring after the balance sheet date

On 9 August 2022, the Company issued 11,800,000 options with an exercise price of $0.05 and an expiry date of 9 August 2025, including 2,000,000 options for CEO Julian Ford and 2,000,000 options for Company Secretary Oonagh Malone.

On 10 August 2022, the Company issued 14,759,883 shares to acquire the SX-MVL project, with interests in 8 tenements, from an unrelated party.

On 30 August 2022, the Mining Warden upheld objections to the expenditure objections and recommended that the Minister refuse the applications for exemption. Consequently, the affected tenements E25/538, E25/539, E25/540 and E28/2580 have been fully impaired for a total impairment of $3,672,692 as disclosed in note 12. These tenements have only been impaired, not written off, because this matter is not finalised.

On 31 August 2022, the Company issued 4,054,054 shares to an unrelated vendor with a cash option fee of $150,000 to acquire a year option to acquire an 80% interest in the Lithium, Tantalum Tin, Caesium and Scandium rights in tenement E77/2784 for an exercise price of $700,000 and the vendor free carried to production.

Other than started above there has not arisen between the end of the financial year and the date of this report any item 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 29 Reconciliation of loss after tax to net cash inflow from operating activities

	Consolidated 2022 $	2021 $
Loss after income tax	**(10,198,982)**	(1,634,151)
Adjustment for non-cash items:		
Impairment of exploration	**3,672,692**	-
Write off of exploration	**4,659**	22,930
Share-based payments expense	**5,435,106**	704,889
Depreciation	**28,668**	53,700
Impairment of debtor	**1,737**	-
Net foreign exchange differences	**(15,794)**	51,255
Movement in assets and liabilities:		
Decrease/ (Increase) in receivables	**182,645**	(176,854)
(Increase) in current financial assets	**(44,975)**	-
(Increase) in other assets	**(11,133)**	(3,082)
Increase/(decrease) in payables	**26,260**	70,339
Increase in employee leave liabilities	**30,546**	5,444
Net cash outflow from operating activities	**(888,571)**	(905,530)

There were no non-cash investment or financing activities during the year other than:

- Acquisition of the Pilbara Lithium project with a value of $3,000,000 following issue of a total of 176,470,588 ordinary shares as disclosed in note 27(b).
- Acquisition of convertible notes with a value of $487,737 on part sale of the US subsidiary Afranex (Alaska) Limited as disclosed in note 10.

Note 30 Loss per share

	Consolidated	
	2022	2021
a) Basic loss per share	**Cents**	Cents
Loss attributable to ordinary equity holders of the Company for continuing operations	**(2.12)**	(0.40)
Loss attributable to ordinary equity holders of the Company	**(2.12)**	(0.40)
b) Diluted loss per share		
Loss attributable to ordinary equity holders of the Company for continuing operations	**(2.12)**	(0.40)
Loss attributable to ordinary equity holders of the Company	**(2.12)**	(0.40)
c) Loss used in calculation of basic and diluted loss per share	**$**	$
Consolidated loss after tax from continuing operations	**(10,198,982)**	(1,634,151)
Consolidated loss after tax	**(10,198,982)**	(1,634,151)
d) Weighted average number of shares used as the denominator	**No.**	No.
Weighted average number of shares used as the denominator in calculating basic and dilutive loss per share	**480,386,969**	410,089,458

At 30 June 2022 the Company has on issue 57,201,144 (30 June 2021: 100,058,792) unlisted options over ordinary shares that are not considered to be dilutive.

The 2021 basic and dilutive loss per share, along with the weighted average number of ordinary shares, have been restated for 2021 following the 1:8 rights issue to purchase new shares at $0.017 per share, that closed on 2 May 2022 when the closing share price was $0.067. This rights issue has led to a 1.06235 rights issue adjustment factor being applied to comparatives. The 2021 basic loss per share, diluted loss per share and weighted number of ordinary shares were (0.42) cents, (0.42) cents and 386,021,046 shares respectively before application of the rights issue adjustment factor.

Note 31 Parent entity information

	Company 2022 $	2021 $
Financial position		
Assets		
Cash	**2,839,651**	294,434
Other current assets	**569,217**	208,067
Non-current assets – investments in subsidiaries	**3,303,248**	2,071,668
Non-current assets – other	**7,962**	31,349
Total Assets	**6,720,078**	2,605,518
Liabilities		
Current liabilities	**491,229**	634,450
Non-current liabilities	**-**	-
Total Liabilities	**491,229**	634,450
NET ASSETS	**6,228,849**	1,971,068
Equity		
Issued Capital	**27,711,842**	16,940,626
Reserves	**4,706,889**	3,595,312
Accumulated losses	**(26,189,882)**	(18,564,870)
TOTAL EQUITY	**6,228,849**	1,971,068
Financial performance		
Loss for the period	**7,625,012**	5,659,681
Other comprehensive income	**-**	-
Total comprehensive loss	**7,625,012**	5,659,681

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 25.

Commitments

For full details of commitments see Note 26.

RIVERSGOLD LTD
ABN 64 617 614 598

Directors' Declaration

In the opinion of the Directors of Riversgold Ltd ("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 2022 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 2022.

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

Signed at Perth this 30th day of September 2022.

David Lenigas
Executive Chairman

INDEPENDENT AUDITOR'S REPORT
To the Members of Riversgold Ltd

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Riversgold Ltd ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2022, 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 2022 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 confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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 in the financial report, which indicates that a material uncertainty exists that may cast significant doubt on the entity'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 Regarding Going Concern Basis* section, we have determined the matters described below to be the key audit matters to be communicated in our report

We have determined the matters described below to be the key audit matters to be communicated in our report**.**

Key Audit Matter	**How our audit addressed the key audit matter**
Exploration and evaluation expenditure Refer to Note 12	
The Group has capitalised exploration and evaluation expenditure of $4,729,942 as at 30 June 2022. Our audit focussed on the Group's assessment of the carrying amount of the capitalised exploration and evaluation asset, because this is one of the most significant assets of the Group. There is a risk that the capitalised expenditure no longer meets the recognition criteria of the standard and whether facts and circumstances existed to suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount.	Our procedures included but were not limited to: • We obtained an understanding of the key processes associated with management's review of the exploration and evaluation expenditure carrying values; • We considered the Director's assessment of potential indicators of impairment; • We obtained evidence that the Group has current rights to tenure of its areas of interest; • We enquired with management, reviewed ASX announcements and minutes of Directors' meeting to ensure that the Group had not decided to discontinue exploration and evaluation at its area of interest; and • We examined the disclosures made in the financial report.
Accounting for asset acquisition Refer to Note 3	
On 30 May 2022, the Company acquired 100% of issued capital of EV Minerals Pty Ltd and tenements of Lithium Project in Pilbara. This acquisition was accounted for as acquisition of assets as the activities of the entity did not constitute a business. We considered this to be a key audit matter due to the value attributed to the acquisition and the fact that it involved the issue of equity as consideration . and it's important to users' understanding of the financial report as a whole.	Our procedures included but were not limited to the following: • We reviewed the sale and purchase agreement to understand key terms and conditions; • We agreed the fair value of the consideration paid to supporting information; • We obtained audit evidence that the acquisition date assets and liabilities of acquiree were fairly stated; • We considered the treatment of deferred consideration arising under the acquisition agreement; and • Assessed the adequacy of the Group's disclosures in the financial report with respect to this asset acquisition.

Key Audit Matter	How our audit addressed the key audit matter
Discontinued Operations and Assets and Liabilities Classified as Held for Sale Refer to Note 17	
On 12 April 2021, the Group signed a share sale agreement with Mamba Minerals LLC to sell100% of the shares of Afranex (Alaska) Limited. As a result of this transaction, Afranex (Alaska) Limited is a discontinued operation and the assets and liabilities are classified as held for sale. During the year, the remaining outstanding liability was converted to convertible notes. The recognition and disclosure of this transaction in the financial report is complex and has a significant impact on the disclosure of the financial results and financial position of the Group. We considered this to be a key audit matter as it is important to users' understanding of the financial report as a whole.	Our procedures included but were not limited to the following: • We ensured that the accounting for this matter is in line with the requirements of AASB 5 Non-current Assets Held for Sale and Discontinued Operations and AASB 9 Financial Instrument; • We reviewed the share sale agreement; • We reviewed the convertible note agreement; • We considered the fair values of the assets and liabilities being disposed of; and • We ensured that the appropriate disclosures have been 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 Group's annual report for the year ended 30 June 2022, 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.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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 2022.

In our opinion, the Remuneration Report of Riversgold Ltd for the year ended 30 June 2022 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

HLB Mann Judd
Chartered Accountants

Norman Glad

N G Neill
Partner

Perth, Western Australia
30 September 2022

Corporate Governance

Corporate Governance

Riversgold Ltd’s Corporate Governance Statement for FY2022 is available on the Company’s website.

Competent Person’s Statement

The information in this document that relates to Exploration Results is based on information compiled by Mr Xavier Braud, a Competent Person who is a Member of The Australian Institute of Geoscientists (AIG). Mr Braud is Executive Director of Riversgold Ltd. and a consultant to the Company. Mr Braud holds shares and options in the Company. Mr Braud has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the ‘Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves’. Mr Braud consents to the inclusion in this announcement of the matters based on this information in the form and context in which it appears. The Company confirms that there have been no material changes to the information since it was first reported.

RIVERSGOLD LTD
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ASX Additional Information

Shareholder Information

The following information is based on share registry information processed up to 28 September 2022.

Distribution of Fully Paid Ordinary Shares

Spread of Holders	Number of Holders	Number of Shares
1 – 1,000	40	3,933
1,001 – 5,000	53	206,903
5,001 – 10,000	287	2,440,554
10,001 – 100,000	1,477	58,739,911
100,001 and over	792	713,798,635
Total	**2,649**	**775,189,936**

There are 567 holders of unmarketable parcels comprising a total of 4,825,636 ordinary shares amounting to 0.62% of issued capital.

Twenty Largest Holders of Quoted Shares (ungrouped)

	Shareholder	Number Held	%
1	Mr Robert Andrew Jewson	59,244,265	7.64
2	Mr Peter Romeo Gianni	58,828,235	7.59
3	Konkera Pty Ltd <Konkera Family A/C>	32,112,650	4.14
4	BNP Paribas Nominees Pty Ltd ACF Clearstream	26,057,859	3.36
5	Eaglehawk Investments Pty Ltd	19,190,507	2.48
6	Citymist Holdings Pty Ltd	16,875,000	2.18
7	Evolution Mining Limited	15,700,000	2.03
8	Sisu International Pty Ltd	14,032,803	1.81
9	Ms Chunyan Niu	10,000,000	1.29
10	Kingslane Pty Ltd <Cranston Superannuation A/C>	9,250,000	1.19
11	ESM Limited	9,000,000	1.16
12	CS Fourth Nominees Pty Limited <HSBC Cust Nom Au Ltd 11 A/C>	8,794,698	1.13
13	BNP Paribas Noms Pty Ltd <DRP>	7,137,125	0.92
14	Mr Douglas Jay Burgin	7,000,000	0.90
15	Kitara Investments Pty Ltd <Kumova #1 Family A/C>	6,791,250	0.88
16	Torr Family Pty Ltd <Torr A/C>	6,750,000	0.87
17	Bullfinch Metals Pty Ltd	6,666,667	0.86
18	Mr Mark Trent <No 2 A/C>	6,250,000	0.81
19	Mrs Ainsley Gae Andrew	6,102,941	0.79
20	Davy Corp Pty Ltd <Davy Investment A/C>	6,043,750	0.78
Total		**331,827,750**	**42.81**

There are 775,189,936 ordinary fully paid shares currently listed on the Australian Securities Exchange held by 2,649 shareholders. There is no current on-market buy back taking place.

RIVERSGOLD LTD
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ASX Additional Information

Voting Rights - Fully Paid Ordinary Shares
Every shareholder present in person or by proxy, attorney or representative has one vote on a show of hands, and on a poll, one vote for each fully paid share.

Substantial Holders

The Company notes the following substantial shareholder notices and details have been given to the Company under the Corporations Act:

Substantial Shareholder	Number Held
Mr Robert Andrew Jewson	59,244,265
Mr Peter Romeo Gianni	58,828,235

Unquoted Equity Securities

Class	Quantity	Number of Holders
Options exercisable at $0.09 each on or before 28 February 2023	120,000	1
Options exercisable at $0.03 each on or before 12 August 2023	15,081,144	8
Options exercisable at $0.049 each on or before 12 August 2023	2,000,000	1
Options exercisable at $0.057 each on or before 12 August 2023	2,000,000	1
Options exercisable at $0.07 each on or before 12 August 2023	2,000,000	1
Options exercisable at $0.076 each on or before 12 August 2023	2,000,000	1
Options exercisable at $0.081 each on or before 12 August 2023	5,000,000	2
Options exercisable at $0.108 each on or before 12 August 2023	2,000,000	1
Options exercisable at $0.08 each on or before 5 February 2024	1,000,000	1
Options exercisable at $0.048 each on or before 7 July 2024	2,000,000	1
Options exercisable at $0.055 each on or before 7 July 2024	2,000,000	1
Options exercisable at $0.074 each on or before 7 July 2024	2,000,000	1
Options exercisable at $0.05 each on or before 30 May 2025	20,000,000	1
Options exercisable at $0.05 each on or before 9 August 2025	11,800,000	8
Class A Performance Rights	25,000,000	1
Class B Performance Rights	25,000,000	1
Class C Performance Rights	1,500,000	1
Class D Performance Rights	1,500,000	1

RIVERSGOLD LTD
ABN 64 617 614 598

ASX Additional Information

Holders of Unquoted Securities Holding More than 20% of Each Class

Class	Holder	Quantity
Options exercisable at $0.09 each on or before 28 February 2023	Ms Julia Marie Dunning	120,000
Options exercisable at $0.049 each on or before 12 August 2023	Mr Xavier Braud & Dr Laure Antoinette Martin	2,000,000
Options exercisable at $0.057 each on or before 12 August 2023	Mr Xavier Braud & Dr Laure Antoinette Martin	2,000,000
Options exercisable at $0.07 each on or before 12 August 2023	Mr Simon James Sydney Bolster & Ms Roslyn Pamela O'Sullivan	2,000,000
Options exercisable at $0.076 each on or before 12 August 2023	Mr Xavier Braud & Dr Laure Antoinette Martin	2,000,000
Options exercisable at $0.081 each on or before 12 August 2023	Mr Simon James Sydney Bolster & Ms Roslyn Pamela O'Sullivan Mr Melvyn Lintern	2,000,000 3,000,000
Options exercisable at $0.108 each on or before 12 August 2023	Mr Simon James Sydney Bolster & Ms Roslyn Pamela O'Sullivan	2,000,000
Options exercisable at $0.08 each on or before 5 February 2024	Mr Vincent Bellandi	1,000,000
Options exercisable at $0.048 each on or before 7 July 2024	Mr Julian Ford	2,000,000
Options exercisable at $0.055 each on or before 7 July 2024	Mr Julian Ford	2,000,000
Options exercisable at $0.074 each on or before 7 July 2024	Mr Julian Ford	2,000,000
Options exercisable at $0.05 each on or before 30 May 2025	Mr David Lenigas	20,000,000
Class A Performance Rights	Quarterback Geological Consultants Pty Ltd	25,000,000
Class B Performance Rights	Quarterback Geological Consultants Pty Ltd	25,000,000
Class C Performance Rights	Mr Vincent Bellandi	1,500,000
Class D Performance Rights	Mr Vincent Bellandi	1,500,000

Company Secretary
Oonagh Malone

Registered Office
Suite 23, 513 Hay Street, Subiaco, Western Australia   Telephone: +61 8 6143 6747

Share Registry
Automic Registry Services
Level 5, 191 St Georges Terrace, Perth WA 6000
Telephone: 1300 992 916

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ASX Additional Information

Schedule of Mining Tenements

Project	Tenement	Status	Ownership
Western Australia			
Kurnalpi	E25/538	Live	80%
	E25/539	Live	80%
	E25/540	Live	80%
	E25/541	Live	80%
	E25/550	Live	100%
	E25/583	Live	100%
	E28/2580	Live	80%
	E28/2599	Live	Earning 70%
	E28/2665	Live	Earning 70%
	E28/3034	Live	100%
	E28/3113	Application	100%
	E25/573	Application	100%
	E25/582	Application	100%
	E25/608	Application	100%
	E28/3060	Application	100%
	E28/3102	Application	100%
	E28/3194	Application	100%
	P25/2610	Application	100%
	P25/2611	Application	100%
	P25/2612	Application	100%
Pilbara	E46/1411	Live	100%
	E45/5721	Live	100%
	E45/6064	Application	100%
	E45/6115	Application	100%
	ELA45/6213	Application	100%
Southern Cross – Marvel Loch	E77/2418	Live	100%
	E77/2593	Live	100%
	E77/2596	Live	100%
	E77/2597	Live	100%
	E77/2588	Live	100%
	E70/6022	Live	100%
	E77/2947	Application	100%
	E77/2589	Live	100%
Mt Holland	E77/2784	Live	Option to acquire 80% of lithium rights
South Australia			
Churchill Dam	EL 5890	Live	100%
Eucolo Creek	EL 6813	Live	100%