RIVERSGOLD LTD

ABN 64 617 614 598

ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

Contents Page

RIVERSGOLD LTD
ABN 64 617 614 598

Corporate Directory

Directors
David Lenigas (Executive Chairman)
Simon Andrew (Non-executive Director)
Ed Mead (Non-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

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 2023.

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:	PennPetro Energy Plc (from March 2023)
	Vinanz Limited (from April 2023)
	Odessa Minerals Limited (from 26 April 2022)
	Rincon Resources Limited (from 13 September 2022)
	NQ Minerals Plc (to August 2021)
	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)
	Olympio Metals Limited (from 2 August 2021)

Edward (Ed) Mead BSC: MAIMM
Non-executive Director – Appointed 21 November 2022

Mr Mead is a geologist with over 25 years' experience in gold and base metals exploration, mine development and mine production. Ed has also worked in the oil and gas industry on offshore drilling platforms. Other commodities that he has significant experience with and can be considered to be a competent person in are iron ore, magnetite, coal, manganese, lithium, potash and uranium.

Other Listed Company Directorships:	White Cliff Minerals Limited (from June 2019)
	Artemis Resources Limited (to November 2022)

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 15 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

Xavier Braud MSc, B Science (Hons) MAIG
Non-executive Director – Resigned 23 November 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 : Terrain Minerals Ltd (from February 2023)

Directors' Interests

As at the date of this report the current 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	2,000,000	2,000,000
E Mead	-	-	-

Directors' Meetings

The number of meetings of the Company's Directors held during the year ended 30 June 2023, and the number of meetings attended by each Director are as follows:

Director	Board of Directors' Meetings	
	Eligible to Attend	Attended
D Lenigas	3	3
S Andrew	3	3
E Mead	2	2
X Braud	1	1

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 $2,625,885 (2022: $10,198,982).

Review of Operations

During the year, the Group:

- Explored the Pilbara Lithium project with deep penetrating ground radar (DPGR) results received and interpreted, a heritage survey, a drill program completed with results interpreted, and further tenements acquired.

- Issued 14,705,883 shares to acquire the Mt Holland Lithium Project in Western Australia.

- Expanded the Mt Holland Lithium Project by issuing 4,054,054 shares together with a cash option fee of $150,000 to acquire a one-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. E77/2784 is adjacent to the Mt Holland Lithium Mine.

- Completed soil sampling, geochemical testing and deep penetrating ground radar (DPGR) at the Mt Holland Lithium Project with further exploration licenses granted and a drill program booked to commence following year end.

- Continued impairing, but not writing off pending ongoing action, tenements E25/538, E25/539, E25/540 and E28/2580 following the Mining Warden upholding expenditure objections and recommending that the Minister refuse the applications for exemption.

- Restructured Kurnalpi tenement holdings, with holdings of tenements E25/538, E25/539, E25/540 and E28/2580 increased from 80% to 100%, while the counterparty increased its holding of tenement E25/541 from 20% to 100%, received $200,000 in cash and were issued 5,793,743 shares.

- Renegotiated the Alaskan asset sale to replace the previous convertible note repayment and the previous 1.5% royalty to be granted to the Company, with a total of $750,000 receivable. This $750,000 was received by March 2023, completing the sale and full divestment of the Alaskan assets and related subsidiaries.

- Announced the Mt Weld REE Project Farm-in and Joint Venture agreement to acquire up to a 70% interest in the Mt Weld REE Project on tenement P34/4489 near Laverton in Western Australia.

- Commenced exploration at the Mt Weld REE Project Farm-in with a geophysical survey, an RC drilling program, and assay results announced.
- Announced the Farm-in and Joint Venture agreement to acquire up to a 80% interest in the Northern Zone Gold Project on tenement P25/2651 near Kalgoorlie in Western Australia, with previous drilling and other results analysed, and further exploration planned.
- Completed a capital raising issuing 169,166,667 shares at a price of $0.036 per share to raise $6,090,000 before costs.
- Appointed Non-executive director Edward (Ed) Mead on 21 November 2022.

Risk Management

The Group takes a proactive approach to risk management. The Board is responsible for ensuring that risks, including emerging risks, and also opportunities, are identified on a timely basis and the Group's objectives and activities are aligned with the risks and opportunities identified by the Board.

The Board has a number of mechanisms in place to ensure that management's objectives and activities are aligned with the risks identified by the Board. These include the following:

- Board approval of a strategic plan designed to meet stakeholders needs and manage business risk; and
- Implementation of Board approved budgets and Board monitoring of progress against those budgets.

Financial Position

At the end of the financial year the Group had $4,911,034 (2022: $2,862,101) in cash and at call deposits. Capitalised mineral exploration and evaluation expenditure at 30 June 2022 was $7,803,694 (30 June 2022: $4,729,942).

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:

- A total of 9,800,000 director and employee options were issued and granted, with an exercise price of $0.05 and an expiry date of 9 August 2025, including 2,000,000 options for Director Simon Andrew, 2,000,000 options for CEO Julian Ford and 2,000,000 options for Company Secretary Oonagh Malone.
- 10,000,000 options were issued with an exercise price of $0.054 and an expiry date of 22 December 2025, in consideration for capital raising services in the prior year.
- 500,000 options were issued and granted to an employee, with an exercise price of $0.05 initial expiry date of 6 October 2025. These options lapsed unexercised on 7 March 2023.
- 2,000,000 options, with an exercise price of $0.05 and an expiry date of 9 August 2025, were agreed to be issued to director Ed. Mead, pending shareholder approval that is still to be obtained.

Options over Unissued Capital (continued)

As at the balance date, 76,881,144 unissued ordinary shares are under option as follows:

Date Granted or issued	Number	Exercise price	Expiry date
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
28 November 2022	2,000,000	5.0 cents	9 August 2025
9 August 2022	7,800,000	5.0 cents	9 August 2025
18 November 2022	10,000,000	5.4 cents	22 December 2025
Total	**76,881,144**		

* These 30,081,144 options ceased after year end on 12 August 2023 due to expiry without exercise or conversion, leaving a total of 46,800,000 options on issue at the date of this report.

All options have vested at the balance date.

No share options were exercised during the year.

The following share options ceased during the year following expiring or lapsing:

- 500,000 options with an exercise price of $0.055 and former expiry date of 6 October 2025 ceased on 7 March 2023 after being issued on 19 September 2022.
- 120,000 options with an exercise price of $0.09 and expiry date of 28 February 2023 ceased on 28 February 2023.

Issued Capital

Number of Shares on Issue		
	2023	**2022**
Ordinary fully paid shares	951,261,457	756,429,999

Issued Capital (continued)

During the financial year the Company issued 194,831,458 shares as per below:

Type	Cents per Share	No of Shares
Issue of shares in consideration for Mt Holland Lithium Project	3.4	14,705,883
Issue of shares in part consideration for option to acquire tenement	3.7	4,054,054
Issue of shares in consideration for tenement	3.6	1,111,111
Shares issued under Share Placement	3.6	169,166,667
Issue of shares in part consideration for Kurnalpi restructure	1.7	5,793,743

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 2023, 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.

2,000,000 further Performance rights were issued to an employee on 16 September 2022 with vesting conditions based on potential announcements of JORC resources. These performance rights lapsed without vesting on 7 March 2023.

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 7 August 2023, the Group signed an agreement with UK based New Generation Minerals Limited (NGM) to sell nickel and cobalt rights to tenements in the Kurnalpi project, with a $25,000 deposit paid by NGM on 11 August 2023 and, conditional on listing of NGM, NGM to acquire the nickel and cobalt rights in tenement E28/3034 with NGM to issue $1,000,000 of shares to Riversgold on listing.

On 12 August 2023, a total of 30,081,144 share options, all with expiry dates of 12 August 2023, ceased on expiry without exercise.

On 31 August 2023, the Company announced the acquisition of an option to acquire 100% of the Abigail Lithium Project in Canada via the proposed acquisition of Abigail Lake Pty Ltd. Purchase consideration for the initial 120-day exclusive period for due diligence includes:

- Payment of $CAD75,000 by the Company, which was made on 1 September 2023,
- An exploration program with an exploration cost of approximately $CAD200,000, and
- Either 16,400,000 shares at a deemed issue price of $0.014 per share, subject to shareholder approval, or a cash payment by the Company of $CAD200,000.

Subject to successful due diligence, the option exercise fee will be $CAD75,000, 73,800,000 shares at a deemed issue price of $0.014 per share, and a 2% net smelter royalty on all minerals mined from the project.

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 Employee Securities Incentive Plan, which was last approved by shareholders on 28 November 2012.

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 and Mr Ed Mead as Non- Executive Directors, they are each paid fees of $60,000 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 non-executive 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 was for a further $30,000 per annum. This agreement was terminated with Mr Braud's resignation on 23 November 2022.

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.

Following review by the board, Mr Lenigas's annual fee increased to $200,000 per annum, effective from 18 November 2022.

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 4 previous financial periods:

	2023	2022	2021	2020	2019
Loss for the period attributable to shareholders	$2,625,885	$10,198,982	$1,634,151	$1,661,033	$3,856,352
Closing share price at 30 June	1.5 cents	2.6 cents	3.5 cents	7.8 cents	2 cents
Basic loss per share (cents)	0.30	2.12	0.40	0.80	4.12

Remuneration Report (Continued)

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

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

Remuneration Disclosures

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

Mr 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 (Resigned 23 November 2022)
Mr Edward (Ed) Mead	Non-executive Director (Appointed 21 November 2022)
Mr Julian Ford	Chief Executive Officer (Appointed 7 July 2021)

When a resolution that the remuneration report for the last financial year be adopted was put to the vote at the Company's most recent AGM, less than 25% of the votes cast were against the adoption of that report.

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

30 June 2023	Short Term Benefits	Post-Employment Benefits	Other Long Term Benefits		
	Base Salary $	Superannuation Contributions $	Share Options[2] $	Total $	Proportion Performance Related %
David Lenigas	169,333	-	-	169,333	-
Simon Andrew	60,000	-	37,600	97,600	39
Xavier Braud	30,000[1]	-	-	30,000	-
Ed Mead	36,667	-	39,200	75,867	52
Julian Ford	240,081[3]	25,051	35,500	300,632	12
Total	**536,081**	**25,051**	**112,300**	**673,432**	**17**

[1] Includes consultancy fees amounting to $17,500.
[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 with share options is considered performance related.
[3] Includes an annual leave provision increase of $1,498.

Remuneration Report (Continued)

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 with share options is considered performance related.

Share and Options Granted as Remuneration

The following Options were granted to Mr Andrew at the shareholder meeting on 28 November 2022 and issued on 22 December 2022. These options vested immediately.

	Number and Recipient	Exercise Price	Expiry date	Value per Option
Tranche 1	2,000,000 to Mr Andrew (or nominee)	$0.05	9 August 2025	$0.01880

The following Options were issued and granted to Mr Ford on 9 August 2022, and vested immediately.

	Number and Recipient	Exercise Price	Expiry date	Value per Option
Tranche 1	2,000,000 to Mr Ford (or nominee)	$0.05	9 August 2025	$0.01775

The following Options were committed to be granted to Mr Mead on his appointment on 21 November 2022, subject to shareholder approval that is not yet obtained. These options vested immediately. These options were effectively granted on 21 November 2022 because Mr Mead's agreement requires alternative remuneration 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	2,000,000 to Mr Mead (or nominee)	$0.05	9 August 2025	$0.01962

Remuneration Report (Continued)

Exercise of Options Granted as Remuneration

During the year, no shares were issued on exercise of options that were previously granted as remuneration to Directors or Key Management Personnel of the Company. No options lapsed, expired or became un-exercisable during the year that were issued to current or former Key Management Personnel.

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.

2023	Balance at start of the year	Received during the year as remuneration	Other changes during the year	Balance at the end of the year(ii)	Vested and exercisable at 30.06.2023(ii)
KMP					
David Lenigas	20,000,000	-	-	20,000,000	20,000,000
Simon Andrew	-	2,000,000	-	2,000,000	2,000,000
Xavier Braud	6,000,000	-	-	6,000,000	6,000,000
Ed Mead	-	-(ii)	-	-(ii)	-(ii)
Julian Ford	6,000,000	2,000,000	-	8,000,000	8,000,000

(i) Other changes during the year relates to options exercised to acquire shares.
(ii) This does not include 2,000,000 options that were agreed to be issued to Mr Mead on his appointment.
(iii) 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.

2023	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	15,852,940	-	-	15,852,940
Xavier Braud	4,432,352	-	-	4,432,352
Ed Mead	-	-	-	-
Julian Ford	2,941,177	-	(718,606)	2,222,571

(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

There were no other transactions with key management personnel during the year ended 30 June 2023.

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 29th day of September 2023.

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 2023, 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
29 September 2023

N G Neill
Partner

hlb.com.au

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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 2023

	Note	Consolidated	
		2023	2022
		$	$
Continuing operations			
Interest revenue	5	**46,227**	212
Other income	5	**521,097**	-
Employee and director expenses	5	**(447,883)**	(383,072)
Share based payment expense	19	**(872,879)**	(5,435,106)
Corporate expenses		**(163,545)**	(128,335)
Administration and other expenses	5	**(958,698)**	(593,155)
Financing gain	5	**2,237**	3,843
Depreciation expense	11	**(8,716)**	(28,668)
Exploration costs impaired	12	**(920,840)**	(3,672,692)
Exploration costs expensed and written off	5	**(82,123)**	(6,984)
Loss before income tax		**(2,885,123)**	(10,243,957)
Income tax expense	6	**-**	-
Loss after tax from continuing operations		**(2,885,123)**	(10,243,957)
Gain after tax from discontinued operations	17	**215,033**	44,975
Exchange difference on disposal of subsidiary	17	**44,205**	-
Loss for the year		**(2,625,885)**	(10,198,982)
Other comprehensive income, net of income tax			
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations		**(37,839)**	43,294
Total comprehensive loss for the year		**(2,663,724)**	(10,155,688)
		Cents	Cents
Basic and diluted loss per share from continuing operations	30	**(0.33)**	(2.13)
Basic and diluted loss per share	30	**(0.30)**	(2.12)

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 2023

	Note	Consolidated	
		2023 **$**	2022 $
Current assets			
Cash and cash equivalents	7	**4,911,034**	2,862,101
Trade and other receivables	8	**83,654**	15,805
Other current assets	9	**20,498**	20,750
Current financial assets held in disposal group	10	**-**	532,712
Other assets of disposal group	17	**-**	2,194,902
Total current assets		**5,015,186**	5,626,270
Non-current assets			
Property, plant and equipment	11	**16,581**	7,962
Non-current financial assets		**20,000**	-
Capitalised exploration and evaluation expenditure	12	**7,803,694**	4,729,942
Total non-current assets		**7,840,275**	4,737,904
Total assets		**12,855,461**	10,364,174
Current liabilities			
Trade and other payables	14	**499,497**	475,252
Employee leave liabilities	15	**37,860**	38,477
Liabilities of disposal group	17	**-**	2,199,013
Total current liabilities		**537,357**	2,712,742
Total liabilities		**537,357**	2,712,742
Net assets		**12,318,104**	7,651,432
Equity			
Issued capital	18	**33,942,159**	27,711,842
Accumulated losses		**(27,431,023)**	(24,805,138)
Reserves	20	**5,806,968**	4,744,728
Total equity		**12,318,104**	7,651,432

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 2023

	Consolidated				
	Issued capital $	Accumulated losses $	Share-based payment reserve $	Foreign currency translation reserve $	Total $
At 1 July 2021	16,940,626	(14,606,156)	3,595,312	(5,455)	5,924,327
Loss for the year from continuing operations	-	(10,243,957)	-	-	(10,243,957)
Gain from discontinued operations	-	44,975	-	-	44,975
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
At 1 July 2022	**27,711,842**	**(24,805,138)**	**4,706,889**	**37,839**	**7,651,432**
Loss for the year from continuing operations	**-**	**(2,885,123)**	**-**	**-**	**(2,885,123)**
Gain from discontinued operations	**-**	**215,033**	**-**	**-**	**215,033**
Deconsolidation of disposed subsidiary	**-**	**44,205**	**-**	**(37,839)**	**6,366**
Total comprehensive loss	**-**	**(2,625,885)**	**-**	**(37,839)**	**(2,663,724)**
Transactions with equity holders in their capacity as equity holders:					
Shares issued	**6,090,000**	**-**	**-**	**-**	**6,090,000**
Share issue costs	**(649,683)**	**-**	**227,200**	**-**	**(422,483)**
Share-based payments:					
Employees/directors	**-**	**-**	**872,879**	**-**	**872,879**
Project acquisition	**790,000**	**-**	**-**	**-**	**790,000**
Balance at 30 June 2023	**33,942,159**	**(27,431,023)**	**5,806,968**	**-**	**12,318,104**

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 2023

	Note	Consolidated 2023 $	2022 $
Cash flows from operating activities			
Payments to suppliers and employees		**(1,877,661)**	(888,463)
Interest received		**46,227**	212
R&D tax incentive received		**521,097**	-
Interest paid		**-**	(320)
Net cash used in operating activities	29	**(1,310,337)**	(888,571)
Cash flows from investing activities			
Payments for exploration and evaluation		**(3,024,102)**	(911,621)
Cash acquired on acquisition of subsidiary		**-**	22,500
Payment for non-current financial asset		**(20,000)**	-
Proceeds on disposal of mineral exploration interests		**750,000**	905,841
Payment for property, plant and equipment		**(17,335)**	(5,583)
Net cash (used in)/ from investing activities		**(2,311,437)**	11,137
Cash flows from financing activities			
Proceeds from the issue of shares		**6,090,000**	3,504,742
Payments for share issue costs		**(422,483)**	(57,055)
Reduction in finance lease liabilities		**-**	(7,866)
Net cash from financing activities		**5,667,517**	3,439,821
Net increase in cash held		**2,045,743**	2,562,387
Cash at the beginning of the financial year		**2,862,101**	294,434
Effect of exchange rate fluctuations on cash held		**3,190**	5,280
Cash at the end of the financial year	7	**4,911,034**	2,862,101

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 2023 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 29 September 2023.

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 2023, the Group incurred a loss of $2,625,885 and had net operating cash outflows of $1,310,337. The Group has cash of $4,911,034 as at 30 June 2023 and net current assets of $4,477,829 at 30 June 2023.

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

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 2023

In the financial year ended 30 June 2023, 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 2023.

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 2023. 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, but not recognised until there is reasonable assurance that the grant will be received and all grant conditions will be met. Grants relating to assets, being government grants whose primary condition is that that an entity qualifying for them should construct, purchase or other acquire long-term assets, are deducted from the carrying value of the relevant asset. Any government grant that is not a grant relating to assets is a grant relating to income. Grants relating to expense items are generally recognised as income over the periods necessary to match the grant to the costs they are compensating, unless the grant only becomes recognisable for expenses or losses already incurred, in which case the grant is recognised in profit or loss in the period in which it becomes receivable.

Amounts received or 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. If such amounts receivable do not meet the definition of grants relating to assets but relate to prior expenditure, these amounts received or receivable are recognised as Other income. Although capitalised mineral exploration expenditure is recognised as an asset by the Group, such recognition is irrelevant in considering the definition of grants relating to an asset.

(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 received 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.

Assets of disposal group and current financial assets held by disposal group in prior year.

As disclosed in note 3, the Directors believed at 30 June 2022 that the expected proceeds from sale of then US subsidiary Afranex (Alaska) Limited, which held all US assets, was highly likely, and with no expected loss if the counterparty was unable to complete the payments. Although this was not a financial asset, the expected sale amounts were the basis for valuing the assets of the disposal group without any impairment. This risk was extinguished by the modification to the sale agreement and subsequent receipt of $750,000 in March 2023 as disclosed in note 3.

(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 at 30 June 2022 were denominated in USD as disclosed in note 17.

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

Other than the above, the Group does not have any direct contact with foreign exchange fluctuations other than their effect on the general economy 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, the Mining Warden upheld objections to expenditure objections and recommended that the Minister refuse applications for expenditure exemption for tenements E25/538, E25/539, E25/540 and E28/2580. The Warden granted the Company leave to appeal their decision to the Minister. The Company has appealed this decision to the Minister but this appeal has not been resolved. These tenements were fully impaired for a total impairment of $3,672,692 at 30 June 2022 as disclosed in note 12. These tenements remain impaired, not written off, with further impairment for expenditure to 30 June 2023 of $920,840 as disclosed in note 12. These tenements have been impaired, not written off, because this matter remains outstanding.

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

No amount receivable was recognised for the expected Research & Development refundable tax offset for the year ended 30 June 2021 of $521,097, that was received during 2023. This followed 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 included considerable analysis, documentation and decisions that were not final before 30 June 2022. This has resulted in this refundable tax offset being recognised in profit or loss as other income in 2023.

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.

Restructuring of Kurnalpi Tenements

On 2 June 2023, the Group increased its ownership interest in four tenements at the Kurnalpi project from 80% to 100%. In consideration for this, the Group disposed of its former 80% interest in tenement E25/541, paid $200,000 in cash, and issued 5,793,743 shares at an agreed value of $0.01726 per share for $100,000 value of the shares. The agreed value of $100,000 has been used for this share-based payment because there has been no rebuttal of the presumption that this valuation is reasonable.

The four tenements with ownership interests increased to 100%, E25/538, E25/539, E25/540 and E28/2580, were fully impaired at 30 June 2022 as they were subject to plaint. Consequently, the $300,000 consideration for this agreement has been included as capitalised exploration expenditure in note 12, but fully impaired consistent with the ongoing impairment. The capitalised exploration expenditure for E25/541 of $552,277 to 2 June 2023, being $496,879 at 30 June 2022 and $55,398 during 2023, has also been reallocated to the plainted tenements and consequently fully impaired, for a total additional impairment recognised for this transaction in 2023 of $852,277 disclosed in note 12.

Pilbara Lithium Project acquisition (prior year)

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.

Note 3 Critical accounting estimates and judgements (continued)

Recognition of disposal group (prior year)

The Group agreed to sell its US subsidiary Afranex (Alaska) Limited, which held 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 a sale agreement during 2022. Receipts of $USD290,000 received under the previous farm out agreement formed part of the new share sale agreement's sale consideration, hence funds received for the previous farm out agreement were classified as unearned revenue in disposal group's assets and liabilities as the sale was not complete at 30 June 2022.

The assets of the disposal group, which consisted solely of capitalised tenement acquisition costs and mineral exploration expenditure, had a net carrying amount of $AUD2,194,902 at 30 June 2022, and were 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 were excess of the carrying amount of the assets.

The $USD1,514,900 ($AUD2,199,013) received to 30 June 2022 was recognised as a liability because it would have been refundable if the Group withdrew 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) included the convertible notes disclosed in note 10 because completion of the sale required 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;
- $USD210,000 that was received in 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 was recognised at 30 June 2022 because the only remaining effective payment was conversion (at the Company's election) or redemption of the convertible notes.

This sale was not treated as revenue from contracts with customers because the assets in the disposal group were 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.

Note 3 Critical accounting estimates and judgements (continued)

Modification of disposal group

On 30 December 2022, the Group agreed to revise the agreement for the sale of the US subsidiary Afranex (Alaska) Limited, which held all US assets and related liabilities, along with revision of the convertible note agreement. This was performed with one deed for both the convertible notes and the US assets, with one series of repayments to the Group now required for disposal of both the convertible notes and the US assets.

This deed replaced both the 1.5% royalty and the requirement for the buyer to repay the convertible notes with the following 3 payments totalling $750,000:

- $100,000 payable by 20 January 2023, that was received on 20 January 2023,
- $325,000 payable by 20 February 2023 that was received later in February 2023, and
- $325,000 payable by 20 March 2023.

The Group retained ownership of both the convertible notes and Afranex (Alaska) Limited until the completion of the above payments, with the Group capable of retaining ownership of Afranex (Alaska) Limited if the above payments were not made. The Group also retained the previously agreed:

- $USD1,000,000 payable on the definition of an inferred mineral resource of 500,000 oz Au,
- $USD1,000,000 payable on the definition of an inferred mineral resource of 1,000,000 oz Au, and
- 20% of the excess of any future sale consideration over $USD1,164,900 if there is a change in control of within 12 months of the new completion date.

These conditional payments were supported by requirements for any purchaser of the project to assume liability for the contingent payments.

The payments totalling $750,000 were all received during the year, with the consequence that the sale of the disposal group was completed. With this sale, the difference in value at the disposal date between the assets of the disposal group, less the value of the former liability for funds received in advance, has been recognised in profit or loss as disclosed in note 17.

Another consequence of this disposal is that the Group no longer has any subsidiary or operations with a functional currency different from the Group's reporting currency. This has led to the balance of the foreign currency translation reserve being recognised in profit or loss, as disclosed in note 20.

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 2023 and 30 June 2022.

30 June 2023	Australia $	Discontinued operation (Alaska) $	Cambodia $	Consolidated $
Interest income	46,227	-	-	46,227
Other Income	521,097	-	-	521,097
Segment income	567,324	-	-	567,324
Gain from discontinued operation	-	259,238	-	259,238
Segment (loss)/ gain before income tax expense	(2,885,123)	259,238	-	(2,625,885)
Current assets	5,015,186	-	-	5,015,186
Non-current assets	7,840,275	-	-	7,840,275
Segment assets	12,855,461	-	-	12,855,461
Segment liabilities	537,357	-	-	537,357
Included within segment loss				
Depreciation	8,716	-	-	8,716
Exploration costs expensed and written off	82,123	-	-	82,123
Employee and director expenses	447,883	-	-	447,883
Interest expense	-	-	-	-
Included within segment assets				
Fixed asset expenditure during the period	-	-	-	-
Exploration incurred during the period	4,004,687	-	-	4,004,687
Cash flow information				
Net cash outflows from operating activities	(1,310,337)	-	-	(1,310,337)
Net cash (outflows)/ inflows from investing activities	(3,061,437)	750,000	-	(2,311,437)
Net cash inflows from financing activities	5,667,517	-	-	5,667,517

Note 4 Segment information (continued)

30 June 2022	Australia $	Discontinued operation (Alaska) $	Cambodia $	Consolidated $
Interest income	212	-	-	212
Other Income	-	-	-	-
Segment income	212	-	-	212
Gain from discontinued operation	-	44,975	-	44,975
Segment loss before income tax expense	10,141,696	44,975	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 5 Loss for the year

	Consolidated 2023 $	2022 $
Loss before income tax includes the following specific income and expenses:		
Income		
Interest revenue	**46,227**	212
R&D tax rebate for 2021.	**521,097**	-
Employee expenses		
Salaries and wages	**(501,510)**	(323,462)
Directors' fees	**(278,500)**	(155,237)
Superannuation	**(50,559)**	(32,346)
Annual leave provided for	**617**	(30,546)
Other employee costs	**(18,182)**	(31,231)
Amount allocated to exploration	**400,251**	189,750
Net employee expenses	**(447,883)**	(383,072)
Administration and other expenses		
Insurance	**(44,136)**	(42,942)
Legal fees	**(309,774)**	(262,934)
Marketing expenses	**(110,901)**	(42,175)
Accountancy	**(260,999)**	(170,961)
Other expenses	**(232,888)**	(74,143)
	(958,698)	(593,155)
Financing gain:		
Interest expense	**-**	(242)
Written off debtor	**-**	(1,737)
Other foreign exchange movements	**2,237**	5,822
	2,237	3,843
Exploration costs expensed and written off:		
Unallocated exploration costs	**(72,028)**	(2,325)
Capitalised exploration costs written off	**(10,095)**	(4,659)
	(82,123)	(6,984)

Note 6 Income tax

	Consolidated 2023 $	2022 $
a) Reconciliation of income tax expense to prima facie tax payable		
Profit/(Loss) from continuing operations before income tax expense	**(2,625,885)**	(10,198,982)
Tax at the Australian rate of 30%	**(787,766)**	(3,059,695)
Capital raising costs claimed	**(38,550)**	(44,237)
Non-deductible share-based payments	**261,864**	1,630,532
Other deductible non-expenses or non-deductible expenses	**(889,466)**	4,855
Net deferred tax asset benefit not brought to account	**1,453,917**	1,468,545
Tax (benefit)/expense	**-**	-
b) Deferred tax – Statement of Financial Position		
Assets		
Revenue losses available to offset against future taxable income	**3,638,252**	2,384,553
Capital losses available to offset against future taxable income	**1,359,657**	-
Disposal group	**-**	7,777
Cambodian tenement applications	**1,946,545**	1,946,545
Capitalised exploration - Australia	**-**	800,086
Deductible equity raising costs	**123,039**	27,203
Other unrecognised deferred tax balances	**226,947**	39,117
	7,294,440	5,205,281
Liabilities		
Convertible notes	**-**	(13,493)
Capitalised exploration - Australia	**(1,029,984)**	-
Net deferred tax asset not recognised	**6,264,456**	5,191,788

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 $12,127,507 ($7,281,116 per 2022 Australian consolidated tax return) with Australian capital losses of $4,532,189 ($4,532,189 per 2022 Australian consolidated tax return). 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	
	2023	2022
	$	$

Note 7 Current assets - Cash and cash equivalents

Cash at bank and on hand	**4,911,034**	2,862,101
Total cash and cash equivalents	**4,911,034**	2,862,101

(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	**4,911,034**	2,862,101

Note 8 Current assets – Trade and other receivables

Trade Debtors	**59,376**	50
GST receivable	**24,278**	15,755
	83,654	15,805

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	**14,403**	14,215
Rental Bond	**6,095**	6,095
Security bond	**-**	440
	20,498	20,750

Note 10 Current financial assets held in disposal group

	Consolidated	
	2023	2022
	$	$
Balance at the beginning of the period	**532,712**	-
Convertible notes acquired on 13 December 2021 (see note 17)	**-**	487,737
Accrued interest receivable on convertible notes	**22,397**	23,591
Foreign exchange movement on convertible notes	**8,732**	21,384
Value of convertible notes at variation deed on 30 December 2022 or on 30 June 2022	**563,841**	532,712
Gain on replacement of convertible notes with amount receivable	**186,159**	-
Value of amount receivable following replacement of convertible notes	**750,000**	-
Repayment of amount receivable	**(750,000)**	-
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:

- 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 in the prior year, before the variation deed disclosed in note 3 was agreed on 30 December 2022.
- Remained outstanding until the completion of the sale of the project, that occurred on 31 March 2023 with the final receipt for the payment of the $750,000 receivable. The convertible notes had nil value from 30 December 2022, despite remaining outstanding until completion, because the value was reflected in the expected payment of the receivable.

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. On 30 December 2022, when the notes were replaced by the $AUD750,000 receivable as disclosed in note 1, the notes were valued at $USD382,002 or $AUD563,841, calculated with an AUD:USD FX rate of 0.6705 and no value ascribed to the conversion feature. The increase in value from 30 June 2022 to 30 December 2022 of $AUD31,129 is due to interest receivable recognised of $AUD22,397 before a foreign exchange gain of $AUD8,732.

The replacement of the royalty and the $563,841 worth of notes with the $750,000 receivable on 30 December has led to a gain of $186,159 because the royalty previous had nil book value.

The combined gain on financial assets in the disposal group of $217,288, being the $31,129 gain on the convertible notes, plus the $186,159 gain on replacement of the notes with the $750,000 receivable, is included in the gain after tax from discontinued operations as disclosed in note 17.

No allowance was made for credit risk at 30 June 2022 because this receivable was secured against the Afranex project for which the counterparty had already paid $USD 1,164,900 or $AUD1,582,646 at the exchange rates at payment dates in prior years.

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

	Consolidated 2023 $	2022 $
Field equipment		
At cost	**21,881**	9,611
Accumulated depreciation	**(10,821)**	(9,611)
	11,060	-
Office equipment		
At cost	**78,334**	73,269
Accumulated depreciation	**(72,813)**	(65,307)
	5,521	7,962
Motor Vehicles		
At cost	**47,497**	47,497
Accumulated depreciation	**(47,497)**	(47,497)
	-	-
Total property, plant and equipment	**16,581**	7,962

Reconciliation

	Consolidated 2023 $	2022 $
Field equipment		
Opening net book value	**-**	29
Additions	**12,270**	
Depreciation	**(1,210)**	(29)
Closing net book value	**11,060**	-
Office equipment		
Opening net book value	**7,962**	8,760
Additions	**5,065**	5,583
Depreciation	**(7,506)**	(6,381)
Closing net book value	**5,521**	7,962
Motor Vehicles		
Opening net book value	**-**	8,163
Depreciation	**-**	(8,163)
Closing net book value	**-**	-

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

The Group leased an office in January 2020. This lease was reflected on the statement of financial position as a right-of-use asset and a lease liability. The Group classified 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. The lease was finalised in 2022, with no remaining right of use asset or lease liability. The Group recognised no right of use assets, or related liabilities, in 2023 because all leases are short-term and without specified assets.

Note 12 Capitalised exploration and evaluation expenditure

	Note	Consolidated 2023 $	2022 $
Balance at the beginning of the year		**4,729,942**	4,678,755
Purchase of Pilbara Lithium Project (see note 3)		**-**	3,000,000
Stamp duty on acquisition of Pilbara Lithium Project		**-**	148,415
Shares consideration for additional Pilbara Lithium project tenement	**18**	**40,000**	-
Share consideration for Mt Holland Lithium Project	**18**	**500,000**	
Share consideration for option to acquire lithium rights to E77/2784	**18**	**150,000**	-
Cash consideration for option to acquire lithium rights to E77/2784		**150,000**	-
Cash consideration for Mt Weld farm in		**30,000**	-
Cash consideration for Kurnalpi restructure	**3**	**200,000**	-
Share consideration for Kurnalpi restructure	**18**	**100,000**	-
Cash consideration for other farm ins		**50,000**	-
Exploration expenditure incurred		**2,784,687**	580,122
Kurnalpi restructure consideration impaired	**3**	**(852,277)**	-
Other capitalised costs impaired during the financial year		**(68,563)**	(3,672,692)
Capitalised costs written off during the financial year	**5**	**(10,095)**	(4,659)
Balance at the end of the year		**7,803,694**	4,729,942

The Group has recognised impairments of previously capitalised exploration costs in respect of West 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 2023 and 2022:

<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.

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.

Note 14 Current liabilities – Trade and other payables

	Consolidated 2023 $	2022 $
Trade payables	**197,430**	264,220
Stamp duty payable on Pilbara Lithium Project acquisition	**148,415**	148,415
Accrued expenses	**135,291**	29,331
Payment owed for Pilbara Lithium acquisition	**-**	22,500
Other payables	**18,361**	10,786
	499,497	475,252

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	
	2023	2022
	$	$
Note 15 Current liabilities - Employee leave liabilities		
Annual leave liability	**37,860**	38,477

Note 16 Lease Liabilities		
Current Liability	**-**	**-**
Non-Current Liability	**-**	**-**
Closing Balance	**-**	**-**
Changes in liabilities arising from financing activities:		
Opening balance	**-**	14,556
Initial recognition	**-**	-
Interest charged	**-**	242
Principal repayment	**-**	(14,892)
Closing Balance	**-**	-

The Group recognised no right of use assets, or related liabilities, in 2023 because all leases are short-term and without specified assets.

Note 17 Sale of Alaskan interests and recognition of disposal group

As disclosed in note 3, in 2022, the Group recognised a disposal group for the Alaskan assets that were sold with the sale of US subsidiary Afranex (Alaska) Limited. At 30 June 2022, the assets of the disposal group previously consisted solely of capitalised mineral exploration interests. However, as disclosed in note 3, the variation deed combined repayment of the outstanding convertible notes with the sale of the Alaskan assets, which caused the reclassification of the convertible note and the classification of the $750,000 receivable to the disposal group. This reclassification changed comparative balances for 30 June 2022.

There were no movements in the value of the capitalised mineral exploration interests held by the disposal group during either 2022 or the period in 2023 until the disposal that was completed on 31 March 2023, other than revaluation in the functional currency of the subsidiary, USD.

The liabilities of the disposal group consist of funds received to date for the potential sale, and outstanding financial instruments that would be derecognised if the Group were to terminate the sale without cause. These liabilities were valued at transaction amounts and translated at the 31 March 2023 and 30 June 2022 exchange rates because the functional currency of the subsidiary was USD.

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

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

	Consolidated	
	31 March 2023 $	2022 $
Financial position of disposal group		
Assets		
Current financial assets (see note 10)	**-**	532,712
Capitalised mineral exploration interests	**2,240,212**	2,194,902
Total Assets	**2,240,212**	2,727,614
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**	905,841
Value of $USD350,000 in convertible notes on issue date of 13 December 2021	**-**	487,737
Foreign exchange revaluation in 2022	**140,365**	140,365
Foreign exchange revaluation in 2023	**10,903**	-
Amount receivable in consideration for sale	**750,000**	-
Total Liabilities	**2,472,179**	2,199,013
Net assets derecognised in profit or loss on disposal	**(231,967)**	528,601
Financial performance		
Gain/ (loss) on financial assets (see note 10)	**217,288**	44,975
Increase in liabilities of disposal group, as calculated in relevant functional currency	**(234,225)**	-
Net assets derecognised on disposal of subsidiary	**231,967**	-
Gain on derecognition of foreign currency translation reserve (see note 20)	**44,205**	-
Gain after income tax	**259,235**	44,975
Cash flow information		
Net cash outflows from operating activities	**-**	-
Net cash inflows from investing activities	**750,000**	905,841
Net cash flows from financing activities	**-**	-
Total cash inflows/ (outflows)	**750,000**	905,841

Foreign currently translation movements were not separately recognised for the disposal group until the disposal group was derecognised on loss of control in 2023.

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 2023		30 June 2022	
		Number	**$**	Number	$
b) Share capital					
Issued share capital		**951,261,457**	**33,942,159**	756,429,999	27,711,842
c) Share movements during the year					
Balance at the start of the period		**756,429,999**	**27,711,842**	404,042,196	16,940,626
Issue of shares on exercise of options	$0.03	-	-	51,857,648	1,555,729
Issue of shares on exercise of options	$0.001	-	-	10,000,000	10,000
Shares issued under Share Placement	$0.017	-	-	69,117,646	1,175,000
Shares issued under Rights issue	$0.017	-	-	44,941,921	764,013
Shares issued in part consideration for Pilbara Lithium Project	$0.037	-	-	17,647,059	652,941
Shares issued for milestone payment for Pilbara Lithium Project	$0.042	-	-	158,823,529	6,670,588
Issue of shares in consideration for Mt Holland Lithium Project	$0.034	**14,705,883**	**500,000**	-	-
Issue of shares in part consideration for option to acquire tenement	$0.037	**4,054,054**	**150,000**	-	-
Issue of shares in consideration for tenement	$0.036	**1,111,111**	**40,000**	-	-
Shares issued under Share Placement	$0.036	**169,166,667**	**6,090,000**	-	-
Issue of shares in part consideration for Kurnalpi restructure	$0.017	**5,793,743**	**100,000**	-	-
Less share issue costs		-	**(649,683)**	-	(57,055)
Balance at the end of the period		**951,261,457**	**33,942,159**	756,429,999	27,711,842

Note 19 Options and share-based payments

The current Riversgold Ltd Employee Security Incentive Plan ("the Plan") was approved on 28 November 2012. 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 $872,879 (2022: $5,435,106) was recognised and expensed during the year for the following share-based payments:

- $39,200 for the Options granted and agreed to be issued, pending shareholder approval, to Mr Mead as described in note 19a).
- $37,600 for the Options granted and issued to Mr Andrew as described in note 19a).
- A total of $138,450 for 7,800,000 Employee options issued and granted to non-directors as described in note 19a). These included 2,000,000 options granted to Mr Ford with a value of $35,500.
- $11,050 for 500,000 further Employee options granted to an employee on 16 September 2022.
- $618,993 for expensing of Quarterback performance rights over the expected vesting period as described in note 19d).
- $27,586 for expensing of Employee performance rights over the expected vesting period as described in note 19d).

A further $227,200 (2022: nil) was recognised as a capital raising cost during the half-year for the stockbroker options described in note 10a). A total of $1,100,079, being $872,879 of expensed share-based payments and $227,200 of capital raising costs were recognised in the share-based payment reserve.

a) <u>Options granted during the period</u>

- 2,000,000 share options were agreed to be issued to new Director Edward (Ed) Mead, subject to shareholder approval, with his appointment agreement including alternative remuneration of equivalent value if shareholder approval is not achieved. Consequently, these constitute a share based payment that was granted at his commencement date of 21 November 2022. These options are to have an exercise price of $0.05 and are to expire on 9 August 2025 with no deferred vesting.
- 2,000,000 share options were granted with shareholder approval to Director Simon Andrew on 28 November 2022. These options have an exercise price of $0.05 and are to expire on 9 August 2025 with no deferred vesting.
- 7,800,000 share options were issued and granted to employees on 9 August 2022 with an exercise price of $0.05, expiry date of 9 August 2025, and no deferred vesting.
- 500,000 share options were granted to an employee on 16 September 2022 with an exercise price of $0.055, expiry date of 9 August 2025, and no deferred vesting. Although these options lapsed on 7 March 2023, these options are still recognised as these vested at the grant date.
- 10,000,000 share options expiring 22 December 2025 with an exercise price of $0.054 were issued to a stockbroker for capital raising services on 22 December 2022. These are valued and recognised as at the commencement of trading on 18 November 2022 based on the timing of services rendered.

Note 19 Options and share-based payments (continued)

These share based payments are all valued with the Black-Scholes formula, using the following parameters, with no expected dividends, no discounts for other factors, and no market based vesting conditions or deferred vesting.

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 Mead	21/11/2022	9/08/2025	$0.05	2,000,000	$0.036	101%	3.18%	$0.01960	$39,200
Mr Andrew	28/11/2022	9/08/2025	$0.05	2,000,000	$0.035	101%	3.18%	$0.01880	$37,600
Employees	9/08/2022	9/08/2025	$0.05	7,800,000	$0.033	98%	2.96%	$0.01775	$138,450
Employee	16/09/2022	6/10/2025	$0.055	500,000	$0.038	103%	2.96%	$0.02210	$11,050
Stockbroker	18/11/2022	22/12/2025	$0.054	10,000,000	$0.039	101%	3.20%	$0.02272	$227,200

b) Options exercised and on issue

No share options were exercised during the year.

c) Options cancelled during the period

The following share options ceased during the year following expiring or lapsing:

- 500,000 options with an exercise price of $0.055 and former expiry date of 6 October 2025 ceased on 7 March 2023 after being issued on 19 September 2022.
- 120,000 options with an exercise price of $0.09 and expiry date of 28 February 2023 ceased on 28 February 2023.

Note 19 Options and share-based payments (continued)

d) Options on issue at the balance date

The number of options outstanding over unissued ordinary shares at 30 June 2023 is 76,881,144 (30 June 2022: 57,201,144). The terms of these options are as follows:

Date Granted or issued	Number	Exercise price	Expiry date
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
28 November 2022	2,000,000	5.0 cents	9 August 2025
9 August 2022	7,800,000	5.0 cents	9 August 2025
18 November 2022	10,000,000	5.4 cents	22 December 2025
Total	**76,881,144**		

* Refer to note 19(e)

All options have vested at the balance date.

e) Subsequent to the balance date

On 12 August 2023, the following options ceased due to expiry without exercise or conversion.

Date Granted or issued	Number	Exercise price	Expiry date
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
8 March 2021	3,000,000	8.1 cents	12 August 2023

Note 19 Options and share-based payments (continued)

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

	2023		2022	
	No.	WAEP (cents)	No.	WAEP (cents)
Options outstanding at the start of the period	**57,201,144**	**5.28**	100,058,792	3.84
Options issued to investors	**-**	**-**	-	-
Options issued during the period	**20,300,000**	**5.21**	26,000,000	5.21
Options exercised during the period	**-**	**-**	(61,857,648)	2.53
Options cancelled and expired unexercised during the period	**(7,000,000)**	**6.18**	(7,000,000)	8.63
Options outstanding at the end of the period	**76,881,144**	**5.26**	57,201,144	5.28

This table does not include the 2,000,000 share options that were granted to Mr Mead that were granted but not issued during the year.

g) Weighted average contractual life
The weighted average remaining contractual life for un-exercised options is 15 months (2022: 22 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 $618,993 (2022: $618,994) recognised as an expense during the year.

Employee Performance Rights

The Company granted 3,000,000 performance rights to an employee on 5 February 2021. 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 (2022: $27,586) recognised as an expense during the year.

1,000,000 additional Class A Performance rights and 1,000,000 additional class B Performance rights were granted to an employee on 16 September 2022. These performance rights were valued at $0.038 each for a total value of $76,000. No amount has been recognised for these additional performance rights over the vesting period because these additional performance rights lapsed without vesting on 7 March 2023.

Note 20 Reserves

	Consolidated			
	2023		2022	
	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	**37,839**	**4,706,889**	**(5,455)**	**3,595,312**
Movement in foreign translation reserve in respect of exchange rate	**6,366**	**-**	**43,294**	**-**
Recognition of final balance of foreign translation reserve on disposal of subsidiaries in profit or loss	**(44,205)**	**-**	**-**	**-**
Movement in share-based payment reserve in respect of options issued	**-**	**453,500**	**-**	**464,997**
Movement in share-based payment reserve in respect of performance rights issued	**-**	**646,579**	**-**	**646,580**
Balance at the end of the year/period	**-**	**5,806,968**	**37,839**	**4,706,889**

(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 beyond note 2(a).

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

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

	Carrying amount ($)	
	2023	**2022**
Fixed rate instruments		
Financial assets	**-**	**-**
Variable rate instruments		
Financial assets	**4,911,034**	**2,862,101**

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Note 21 Financial instruments (continued)

These balances excluded financial instruments held by the disposal group (note 10) as these are measured as financial instruments, but are not financial instruments. At Balance date the Group is not materially exposed to interest rate risk

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 $
2023							
Trade & other payables	**499,497**	**499,497**	**499,497**	**-**	**-**	**-**	**-**
	499,497	**499,497**	**499,497**	**-**	**-**	**-**	**-**
2022							
Trade & other payables	475,252	475,252	475,252	-	-	-	-
	475,252	475,252	475,252	-	-	-	-

Fair values

Fair values versus carrying amounts

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

	Consolidated			
	2023		2022	
	Carrying amount $	**Fair value $**	Carrying amount $	Fair value $
Cash and cash equivalents	**4,911,034**	**4,911,034**	2,862,101	2,862,101
Trade other receivables	**83,654**	**83,654**	15,805	15,805
Trade and other payables	**(499,497)**	**(499,497)**	(475,252)	(475,252)
	4,495,191	**4,495,191**	2,402,654	2,402,654

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

Foreign exchange risk

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 2023.

The Company has no franking credits available as at 30 June 2023.

Note 23 Key management personnel disclosures

(a) Directors and key management personnel

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

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 (Resigned 23 November 2022)
Mr Edward (Ed) Mead	Non-executive Director (Appointed 21 November 2022)
Mr Julian Ford	Chief Executive Officer (Appointed 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:

	2023 $	2022 $
Total short-term employment benefits	**536,081**	367,102
Total share-based payments[1]	**112,300**	464,997
Total post-employment benefits	**25,051**	18,186
	673,432	850,285

[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

	2023 $	2022 $
Audit and review of the Company's financial statements	**36,844**	**36,225**
Total	**36,844**	**36,225**

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 2023 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, on 30 August 2022, the Mining Warden upheld objections to expenditure objections and recommended that the Minister refuse applications for expenditure exemption for tenements E25/538, E25/539, E25/540 and E28/2580. The Warden granted the Company leave to appeal their decision to the Minister. The Company has appealed this decision to the Minister but this appeal has not been resolved. These tenements were fully impaired for a total impairment of $3,672,692 at 30 June 2022 as disclosed in note 12. These tenements remain impaired, not written off, with further impairment for expenditure to 30 June 2023 of $920,840 as disclosed in note 12. These tenements have been impaired, not written off, because this matter remains outstanding. 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 2023.

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 $530,092 (2022: $741,500), including $241,503 (2022: $354,000) 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 2023 and 30 June 2022 not otherwise disclosed in the Financial Statements.

Note 27 Related party transactions

(a) Subsidiaries

Subsidiary Company	Country of Incorporation	Parent	Ownership Interest	
			30 June 2023	30 June 2022
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%
North Fork Resources Pty Ltd	Australia	Afranex Gold Pty Ltd	**100%**	100%
RGL MVL Pty Ltd[2]	Australia	Riversgold Ltd	**100%**	100%
EV Minerals Pty Ltd[3]	Australia	Riversgold Ltd	**100%**	100%

1. Afranex (Alaska) Limited was sold and formed the disposal group disclosed in note 17. This sale was completed in March 2023 with the final repayment of the $750,000 receivable as disclosed in note 3.
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 had 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 2023 $	30 June 2022 $
Riversgold (Australia) Pty Ltd	**6,849,479**	6,148,776
Afranex Gold Pty Ltd	**-**	678,091
Cambodia Gold Pty Ltd	**317,742**	317,742
EV Minerals Pty Ltd	**1,838,117**	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 for research sponsorship and mineral exploration services provided by Portable PPB Pty Ltd, an entity associated with former director 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 was owed to Portable PPB Pty Ltd at 30 June 2022.

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 7 August 2023, the Group signed an agreement with UK based New Generation Minerals Limited (NGM) to sell nickel and cobalt rights to tenements in the Kurnalpi project, with a $25,000 deposit paid by NGM on 11 August 2023 and, conditional on listing of NGM, NGM to acquire the nickel and cobalt rights in tenement E28/3034 with NGM to issue $1,000,000 of shares to Riversgold on listing.

On 12 August 2023, a total of 30,081,144 share options, all with expiry dates of 12 August 2023, ceased on expiry without exercise.

On 31 August 2023, the Company announced the acquisition of an option to acquire 100% of the Abigail Lithium Project in Canada via the proposed acquisition of Abigail Lake Pty Ltd. Purchase consideration for the initial 120 day exclusive period for due diligence includes:

- Payment of $CAD75,000 by the Company, which was made on 1 September 2023,
- An exploration program with an exploration cost of approximately $CAD200,000, and
- Either 16,400,000 shares at a deemed issue price of $0.014 per share, subject to shareholder approval, or a cash payment by the Company of $CAD200,000.

Subject to successful due diligence, the option exercise fee will be $CAD75,000, 73,800,000 shares at a deemed issue price of $0.014 per share, and a 2% net smelter royalty on all minerals mined from the project.

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 2023 $	2022 $
Loss after income tax	**(2,625,885)**	(10,198,982)
Adjustment for non-cash items:		
Impairment of exploration	**920,840**	3,672,692
Exploration expensed for tenements written off	**4,260**	4,659
Gain on deconsolidation of disposal group	**(259,238)**	-
Derecognition of foreign currency translation reserve	**37,839**	-
Share-based payments expense	**872,879**	5,435,106
Depreciation	**8,716**	28,668
Impairment of debtor	**-**	1,737
Net foreign exchange differences	**(2,007)**	(15,794)
Movement in assets and liabilities:		
(Increase)/ decrease in receivables	**(67,849)**	182,645
(Increase) in financial assets held in disposal group	**-**	(44,975)
Decrease/ (increase) in other assets	**252**	(11,133)
(Decrease)/ increase in payables	**(199,526)**	26,260
(Decrease)/ increase in employee leave liabilities	**(617)**	30,546
Net cash outflow from operating activities	**(1,310,337)**	(888,571)

There were no non-cash investment or financing activities during the year other than the following $790,000 value of shares issued for tenement acquisition:

- Issue of shares with a value of $500,000 in consideration for the Pilbara Lithium Project as disclosed in notes 12 and 18(c).
- Issue of shares with a value of $150,000 in consideration for an option to acquire a tenement as disclosed in notes 12 and 18(c).
- Issue of shares with a value of $40,000 for tenement acquisition as disclosed in notes 12 and 18(c).
- Issue of shares with a value of $100,000 in part consideration for Kurnalpi restructure as described in note 3.

Note 30 Loss per share

	Consolidated	
	2023	2022
a) Basic loss per share	**Cents**	Cents
Loss attributable to ordinary equity holders of the Company for continuing operations	**(0.33)**	(2.13)
Loss attributable to ordinary equity holders of the Company	**(0.30)**	(2.12)
b) Diluted loss per share		
Loss attributable to ordinary equity holders of the Company for continuing operations	**(0.33)**	(2.13)
Loss attributable to ordinary equity holders of the Company	**(0.30)**	(2.12)
c) Loss used in calculation of basic and diluted loss per share	**$**	**$**
Consolidated loss after tax from continuing operations	**(2,885,123)**	**(10,243,957)**
Consolidated loss after tax	**(2,625,885)**	**(10,198,982)**
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	**877,923,997**	**480,386,969**

At 30 June 2023 the Company has on issue 76,881,144 (30 June 2022: 57,201,144) unlisted options over ordinary shares that are not considered to be dilutive.

Note 31 Parent entity information

	Company 2023 $	2022 $
Financial position		
Assets		
Cash	**4,911,034**	2,839,651
Other current assets	**124,152**	569,217
Non-current assets – investments in subsidiaries	**6,329,634**	3,303,248
Non-current assets – other	**294,179**	7,962
Total Assets	**11,658,999**	6,720,078
Liabilities		
Current liabilities	**537,357**	491,229
Non-current liabilities	**-**	-
Total Liabilities	**537,357**	491,229
NET ASSETS	**11,121,642**	6,228,849
Equity		
Issued Capital	**33,942,159**	27,711,842
Reserves	**5,806,968**	4,706,889
Accumulated losses	**(28,627,485)**	(26,189,882)
TOTAL EQUITY	**11,121,642**	6,228,849
Financial performance		
Loss for the period	**2,437,603**	7,625,012
Other comprehensive income	**-**	-
Total comprehensive loss	**2,437,603**	7,625,012

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 2023 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 2023.

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

Signed at Perth this 29th day of September 2023.

David Lenigas
Executive Chairman

HLB MANN JUDD
ADVISORY AND ACCOUNTING

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 2023, 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 2023 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 (including Independence Standards)* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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

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Key Audit Matter	How our audit addressed the key audit matter
Exploration and evaluation expenditure Refer to Note 12	
The Group has capitalised exploration and evaluation expenditure of $7,803,694 as at 30 June 2023. 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 and the impairments made by them; • We obtained evidence that the Group has current rights to tenure of its areas of interest; • We verified a sample of additions and disposals: • 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.

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 2023, 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, actions taken to eliminate threats or safeguards applied.

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 2023.

In our opinion, the Remuneration Report of Riversgold Ltd for the year ended 30 June 2023 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

N G Neill
Partner

Perth, Western Australia
29 September 2023