Riversgold Ltd

ABN 64 617 614 598

Consolidated Financial Statements

For the Period from 24 February 2017 to 30 June 2017

Riversgold Limited
ABN 64 617 614 598

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Corporate Directory

Directors
Rod Webster (Non-Executive Chairman)
Allan Kelly (Managing Director)
Jeff Foster (Non-Executive Director)

Company Secretary
Kevin Hart

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Auditor
HLB Mann Judd
Level 4, 130 Stirling Street
Perth, Western Australia 6000

Share Registry
Computershare Investor Services Pty Ltd
Level 11, 172 St Georges Terrace
Perth, Western Australia 6000
Telephone (08) 9323 2000

Stock Exchange Listing
The Company is in the process of seeking quotation of its shares on the Australian Securities Exchange. Upon admission the home exchange will be Perth, Western Australia.

ASX Code (Reserved)
RGL – Ordinary shares

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

The Company changed its name from Alcam Gold Pty Ltd to Riversgold Limited on becoming a public company on 9 June 2017.

The Company is domiciled in Australia.

Directors' Report

The Directors present their report on Riversgold Limited (formerly Alcam Gold Pty Ltd) (the Company) and the entities it controlled (the Group) at the end of, and during the period 24 February 2017 to 30 June 2017.

Directors

The names and details of the Directors of Riversgold Limited during the financial period and until the date of this report are:

Roderick Webster - FAusIMM FAICD
(Non Executive Chairman – Appointed 24 April 2017)

Mr Webster is a mining engineer with over 40 years of experience in the resources industry including more than 20 years in managing director or CEO positions.

He is currently Chairman of Pembridge Resources Plc (AIM) and a director of CORO Mining Corp (TSX) and Weatherly International Plc (AIM). From 2005 to 2015 Mr Webster was founding director and CEO of Weatherly which at various stages operated four copper mines and a smelter in Namibia. Between 2001 and 2005 he was a senior executive with First Quantum Minerals, developing copper mines in Zambia and Mauritania. Prior to this he was a founding director and CEO of Western Metals and also held management positions with Homestake Gold (1988-1993) and BHP Minerals (1980-1988).

He is a fellow of both the Australian Institute of Mining and Metallurgy and the Australian Institute of Company Directors and has previously served on the executive committee of the International Zinc Association.

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

Allan Kelly - BSc(Hons), Grad Cert Bus, FAAG MAIG
(Managing Director – Appointed 24 February 2017)

Allan Kelly is a geologist with over 25 years' experience in mineral exploration, project development and gold production throughout Australia and the Americas.

In 2009, Mr Kelly founded Doray Minerals Ltd (ASX), which was the most successful IPO of 2010 following the discovery of the high-grade Wilber Lode gold deposit in the Murchison Region of Western Australia.

Under his management, Doray moved from discovery to production at Andy Well within 3.5 years and then funded-permitted, constructed and commissioned the Deflector Gold-Copper Project within 14 months of completing the takeover of Mutiny Gold Ltd in 2014. Mr Kelly resigned as a director of Doray on 16 December 2016.

In 2014, Mr Kelly was awarded the AMEC "Prospector Award", along with co-founder Heath Hellewell, for the discovery of the Wilber Lode and Andy Well deposits.

Mr Kelly is a Fellow and Former Councillor of the Association of Applied Geochemistry (AAG), a Member of the Australian Institute of Geoscientists (AIG) and a Non-Executive Director of Alloy Resources Ltd (ASX).

Allan also has management experience in the tourism, hospitality and brewing industry and is a Member of the Institute of Brewing and Distilling (IBD).

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

Jeffrey Foster - MAusIMM
(Non Executive Director – Appointed 24 April 2017)

Mr Foster is a geologist with over thirty years' international experience in mineral exploration and project development.

He has a track record of innovation and delivery in both industry and academe having been an Associate Professor at CODES, the ARC Centre of Excellence in Ore Deposit Studies at the University of Tasmania, and a founding Director and Executive Director with the multi – award winning Sirius Resources NL, a highly successful ASX200 listed company to its acquisition by Independence Group NL.

At Sirius he worked with teams to substantially de-risk the Nova-Bollinger project, develop corporate opportunities and raise capital resulting in industry leading total shareholder returns.

Since graduating with a Masters Degree in Mining and Mineral Exploration, from Leicester University, Mr Foster has more than 30 years of industry experience with S2 Resources, Sirius Resources NL, GeoDiscovery, BHP - New Business Development, Western Mining Corporation - Exploration Division and Kambalda Nickel Operations.

This experience base encompasses exploration, discovery, development, opportunity recognition, financial evaluation and research in many parts of the world including; Canada, USA, Brazil, Chile, UK, Norway, Finland, Sweden, China, India, Russia, South Africa, Namibia, Botswana and Australia.

Mr Foster is an Adjunct Professor at the University of Tasmania, a Member of the Australasian Institute of Mining and Metallurgy.

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

Company Secretary

Kevin Hart – B.Comm, FCA

Mr Hart is a Chartered Accountant and was appointed to the position of Company Secretary on 4 November 2005. He has over 20 years experience in accounting and the management and administration of public listed entities in the mining and exploration industry.

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

Directors' Interests

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

Director	*Directors' Interests in Ordinary Shares*	*Directors' Interests in Unlisted Options*	*Options vested at the reporting date*
R Webster	1,287,500	1,000,000	-
A Kelly	3,483,505	1,741,753	-
J Foster	1,550,000	1,000,000	-

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

Directors' Meetings

The number of meetings of the Company's Directors held during the period ended 30 June 2017, and the number of meetings attended by each Director are as follows:

Director	*Board of Directors' Meetings*	
	Held	*Attended*
R Webster	1	1
A Kelly	1	1
J Foster	1	1

Directors' Report

Principal Activities

The principal activity of the Company during the financial period was the preparation for an application for quotation of its securities on the Australian Securities Exchange.

There were no significant changes in these activities during the financial period.

Results of Operations

The consolidated loss after income tax for the financial period was $66,931, which includes $6,875 relating to equity based remuneration.

Review of Activities

Operations

The Company was focussed on preparation for its initial public offer (IPO) of its securities on the Australian Securities Exchange (ASX) for which an application had been made to ASX as at the date of this financial report.

The Company has compiled a portfolio of prospective gold exploration projects in Australia, Alaska in the United States and Cambodia which will be completed pursuant to the IPO. See the Significant Changes in the State of Affairs and the Matters Subsequent to the End of the Financial Period sections below for further details

Financial Position

At the end of the financial year the Group had $237,350 in cash and at call deposits.

Significant Changes in the State of Affairs

Other than the below, there have been no significant changes in the state of affairs of the Company and Group during or since the end of the financial year.

- On 30 May 2017 the Company incorporated a 100% owned subsidiary Riversgold (Australia) Pty Ltd for the purposes of acquiring Australian exploration projects pursuant to the IPO;
- During and subsequent to the end of the financial period the Company raised $1 million in capital raisings from pre-IPO investors by the issue of 10 million shares at 5 cents each and 5 million shares at 10 cents each;
- On 20 June 2017 the Company entered into an agreement with Debnal Pty Ltd, an entity associated with Mr Allan Kelly, to acquire a 100% interest in the Churchill Dam exploration assets by the issue of 500,000 ordinary fully paid shares. The completion of the agreement is subject to conditional admission to the Official List of the ASX.
- On 3 July 2017 the Company completed the acquisition of Afranex Gold Limited (and its wholly owned subsidiaries Afranex (Alaska) Limited, North Fork Resources Pty Ltd, North Fork Resources LLC and Black Peak LLC) by the issue of consideration of 10 million fully paid shares at a deemed price of 20 cents per share and 5 million options exercisable at 20 cents each and expiring 3 years from the date of quotation of the Company's securities on ASX.
- On 4 August 2017 the Company lodged its IPO prospectus with ASIC, with a replacement prospectus lodged on 11 August 2017. The Company closed the IPO offer on 15 September 2017 and a listing application has been submitted to the ASX as at the date of this financial report.

Options over Unissued Capital

Unlisted Options

As at the date of this report 8,000,000 unissued ordinary shares of the Company are under option as follows:

Number of Options Granted	*Exercise Price*	*Expiry Date*
3,000,000	20 cents	15 May 2022
5,000,000	20 cents	3 Years from the date of Quotation of the Company's Securities on ASX

Options expiring on 15 May 2022 are subject to a vesting period of 24 months from the date of quotation of the Company's securities on ASX.

All other options on issue at the date of this report are vested and exercisable, where not otherwise subject to ASX restrictions on trading.

During the financial period the Company granted 3,000,000 unlisted options over unissued shares to directors of the Company, and 137,500 shares in lieu of pre IPO services provided.

During the period no options have been cancelled.

During the financial period no ordinary shares have been issued on the exercise of options.

Since the end of the financial period the following options (Vendor Options) have been issued by the Company pursuant to share sale and asset acquisition agreements:

- 5,000,000 options to the vendors of Afranex Gold Limited.

In addition, the Company has entered into agreements to issue the following Vendor Options pursuant to asset and share sale agreements, subject to successful completion of the Company's IPO:

- 11,750,000 options to the vendors of Cambodia Gold Limited; and
- 2,000,000 options to the vendors of the Kurnalpi exploration assets.

All Vendor Options stated above are issued at an exercise price of 20 cents per share and expire 3 years from the date of quotation of the Company's securities on ASX.

No options have been exercised since the end of the financial period.

Since the end of the financial period no options have been cancelled due to the lapse of exercise period.

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

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

Issued Capital

Number of Shares on Issue		
	2017	*2016*
Ordinary fully paid shares	**10,137,510**	n/a

See the Matters Subsequent to the End of the Financial Period Section for details of share issues subsequent to 30 June 2017.

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

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

- On 3 July 2017 the Company completed the acquisition of Afranex Gold Limited by the issue of 10 million shares and 5 million options exercisable at 20 cents each and expiring 3 years from the date of quotation of the Company's securities on ASX;
- On 7 July 2017 the Company issued 2,100,000 shares to pre-IPO investors at 10 cents per share;
- On 21 July 2017 the Company issued 2,900,000 shares to pre-IPO investors at 10 cents per share;
- On 4 August 2017 and 11 August 2017, the Company lodged a prospectus and replacement prospectus respectively with ASIC in respect of the Company's IPO. The Company closed the IPO offer on 15 September 2017 and a listing application has been submitted to the ASX as at the date of this financial report.
- Subsequent to the end of the financial period the Company entered into asset and share sale agreements as follows, for which completion of the Company's IPO is a condition precedent to settlement:
  - Acquisition of a 100% interest in the issued capital of Cambodia Gold Pty Ltd by the issue of 23,500,000 ordinary fully paid shares and 11,750,000 options exercisable at 20 cents and expiring 3 years from date of quotation of the Company's securities on ASX; and
  - Acquisition of an 80% interest in the Kurnalpi exploration assets by the issue of 3,000,000 ordinary fully paid shares and 2,000,000 options exercisable at 20 cents and expiring 3 years from the date of quotation of the Company's securities on ASX.
- Subsequent to the end of the financial period the Company entered into a joint venture agreement with Serendipity Resources Pty Ltd regarding the Kurnalpi exploration assets.

Likely Developments and Expected Results of Operations

The Company intends to undertake exploration programs at the Kurnalpi, Churchill Dam and Alsakan exploration projects consistent with the use of funds detailed in the Company's IPO replacement prospectus dated 11 August 2017.

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

Environmental Regulation and Performance

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

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

Remuneration Report (Audited)

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

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

Remuneration Committee

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

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

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

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

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.

Remuneration Report (Continued)

Executive Director and Other Key Management Personnel Remuneration

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

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

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

Incentive Plans

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

The Board, acting in remuneration matters:

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

Engagement of Non-Executive Directors

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

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

In consideration of the services provided by Mr Jeff Foster as Non-Executive Director the Company will pay him a fee of $40,000 per annum.

In consideration of the services provided by Mr Rod Webster as Non-Executive Chairman the Company will pay him a fee of $70,000 per annum.

Messrs Foster and Webster 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. There were no such fees paid during the financial period ended 30 June 2017.

<u>Remuneration Report (Continued)</u>

Engagement of Executive Directors

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

Mr Kelly's current service agreement with the Company, in respect of his engagement as Managing Director, is effective from the admission of the Company to the Official List of the ASX. Mr Kelly will receive a base salary of $250,000 per annum inclusive of statutory superannuation.

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

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

Short Term Incentive Payments

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

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

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

Shareholding Qualifications

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

Group Performance

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

	2017
Loss for the period attributable to shareholders	**$(66,931)**
Closing share price at 30 June	**n/a**

Remuneration Report (Continued)

Group Performance (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 periods.

Remuneration Disclosures

The Key Management Personnel of the Company have been identified as:

Mr Rod Webster	Non-Executive Chairman
Mr Allan Kelly	Managing Director
Mr Jeff Foster	Non-Executive Director

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

Period from 24 February 2017 to 30 June 2017	Short Term		Post Employment	Other Long Term		
	Base Salary $	Short Term Incentive $	Superannuation Contributions $	Value of Share and Options[4] $	Total $	Value of Shares and Options as Proportion of Remuneration %
Rod Webster[2]	-	-	-	4,375	4,375	100%
Allan Kelly[1]	26,000[3]	-	-	-	26,000	-
Jeff Foster[2]	-	-	-	2,500	2,500	100%
Total	26,000	-	-	6,875	32,875	

[1] Date of appointment 24 February 2017
[2] Date of appointment 24 April 2017
[3] Mr Kelly has received a retainer of $2,000 per week for his executive services up to the date of the Company's IPO
[4] Options issued as remuneration are subject to a 24 month vesting period from quotation of the Company's securities on ASX, therefore no expense has been recognised to 30 June 2017.

Details of Performance Related Remuneration

During the period, no short term incentive payments were paid to the executive directors.

Remuneration Report (Continued)

Remuneration Disclosures (Continued)

Share and Options Granted as Remuneration

During the financial period ended 30 June 2017 the following shares and options were granted to Directors or Key Management Personnel of the Company in lieu of remuneration for pre-IPO services provided:

	Number of shares	Fair value of shares $	Number of options	Fair value of options $
Rod Webster	87,500	4,375	1,000,000	27,190
Allan Kelly	-	-	1,000,000	27,190
Jeff Foster	50,000	2,500	1,000,000	27,190
Total	137,500	6,875	3,000,000	81,570

The fair value of share and options issued as remuneration is allocated to the relevant vesting period of the options. Shares and Options are provided at no further cost to the recipients.

No options were exercised by Key Management Personnel during the financial year.

Exercise of Options Granted as Remuneration

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

Equity instrument disclosures relating to key management personnel

Option holdings

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

2017 Name	Balance at start of the period	Received during the period as remuneration	Other changes during the period	Balance at the end of the period	Vested and exercisable at the end of the period
Directors					
Rod Webster	-	1,000,000	-	1,000,000	-
Allan Kelly	-	1,000,000	-	1,000,000	-
Jeff Foster	-	1,000,000	-	1,000,000	-

Remuneration Report (Continued)

Share holdings

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.

2017 Name	Balance at start of the period	Received during the period as remuneration	Other changes during the period (i)	Balance at the end of the period
Directors				
Rod Webster	**-**	**87,500**	**1,200,000**	**1,287,500**
Allan Kelly	**-**	**-**	**2,000,000**	**2,000,000**
Jeff Foster	**-**	**50,000**	**1,500,000**	**1,550,000**

(i) Other changes during the period relate to seed purchases at 5 cents per share made by Directors and their related parties

Loans made to key management personnel

No loans were made to key personnel, including personally related entities during the reporting period.

Other transactions with key management personnel

There were no other transactions with key management personnel.

End of Remuneration Report

Officers' Indemnities and Insurance

Subsequent to the end of the financial period 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 period HLB Mann Judd the Company's auditor, has not performed any other services in addition to their statutory duties.

Total remuneration paid to auditors during the financial year:	**2017** **$**	2016 $
Audit and review of the Company's financial statements	**3,000**	
Other services	**-**	-
Total	**3,000**	

The board considers any non-audit services provided during the year by the auditor and satisfies itself that the provision of any non-audit services during the year by the auditor is compatible with, and does not compromise, the auditor independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services are reviewed by the board to ensure they do not impact the impartiality and objectivity of the auditor; and
- the non-audit services provided do not undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants*, as they do not involve reviewing or auditing the auditor's own work, acting in a management or decision making capacity for the Company, acting as an advocate for the Company or jointly sharing risks and rewards.

Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required under Section 307C of the Corporations Act is set out on the following page.

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

Dated at Perth this 21st day of September 2017.

Allan Kelly
Managing Director

HLB Mann Judd

Accountants | Business and Financial Advisers

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the consolidated financial report of Riversgold Ltd for the year ended 30 June 2017, 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	**D I Buckley**
21 September 2017	**Partner**

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

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Riversgold Limited
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Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the financial period 24 February 2017 to 30 June 2017

	Note	Consolidated	
		Period to 30 June 2017 $	2016 $
Expenses			
Directors fees and retainers		**(26,000)**	-
Equity based remuneration expense		**(6,875)**	-
Corporate expenses		**(1,377)**	-
Administration and Other expenses		**(32,079)**	-
Exploration costs expensed		**(600)**	-
Loss before income tax	5	**(66,931)**	-
Income tax benefit	6	-	-
Loss after tax	16	**(66,931)**	-
Other comprehensive income		**-**	-
Total comprehensive loss for the period		**(66,931)**	-
Earnings per share for loss attributable to the ordinary equity holders of the Company		**Cents**	Cents
Basic loss per share	26	**(2.1)**	n/a
Diluted loss per share	26	**(2.1)**	n/a

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

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Consolidated Statement of Financial Position
As at 30 June 2017

	Note	Consolidated	
		2017	2016
		$	$
Current assets			
Cash and cash equivalents	7	**237,350**	-
Trade and other receivables	8	**1,413**	-
Other current assets	9	**158,610**	-
Total current assets		**397,373**	-
Non-current assets			
Loans receivable	10	**277,352**	-
Total non-current assets		**277,352**	-
Total assets		**674,725**	-
Current liabilities			
Trade and other payables	12	**234,771**	-
Total current liabilities		**234,771**	-
Total liabilities		**234,771**	-
Net assets		**439,954**	-
Equity			
Issued capital	14	**506,885**	-
Accumulated losses	16	**(66,931)**	-
Equity remuneration reserve	16	**-**	-
Total equity		**439,954**	-

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

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Consolidated Statement of Changes in Equity
For the period 24 February 2017 to 30 June 2017

	Consolidated			
	Issued capital $	Accumulated losses $	Equity remuneration reserve $	Total $
<u>2017</u>				
At 24 February 2017	**-**	**-**	**-**	**-**
Comprehensive loss for the period	**-**	**(66,931)**	**-**	**(66,931)**
Movement in equity remuneration reserve	**-**	**-**	**-**	**-**
Transactions with equity holders in their capacity as equity holders:				
Shares issued	**506,885**	**-**	**-**	**506,885**
Balance at the end of the financial period	**506,885**	**(66,931)**	**-**	**439,954**

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

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Consolidated Statement of Cash Flows
For the period 24 February 2017 to 30 June 2017

	Note	Consolidated	
		Period to 30 June 2017 $	2016 $
Cash flows from operating activities			
Payments to suppliers and employees		**(56,880)**	-
Net cash used in operating activities	25	**(56,880)**	-
Cash flows from investing activities			
Loans to related entities		**(277,352)**	-
Payments for exploration and evaluation		**(600)**	-
Net cash used in investing activities		**(277,952)**	-
Cash flows from financing activities			
Proceeds from the issue of shares		**500,010**	-
Proceeds received for shares not yet issued		**210,000**	
Payments for share issue costs		**(137,828)**	-
Net cash from financing activities		**572,182**	-
Net increase in cash held		**237,350**	-
Cash at the beginning of the financial period	7(a)	**-**	-
Cash at the end of the financial period	7(a)	**237,350**	-

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

Note 1 Summary of significant accounting policies

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated. The financial report includes financial statements for the consolidated entity consisting of Riversgold Limited and its subsidiaries ("Group").

(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 separate financial statements of the parent entity have not been presented within this financial report as permitted by the Corporations Act 2001.

The financial report of the Group was authorised for issue in accordance with a resolution of Directors on 21st September 2017.

Statement of Compliance

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

Adoption of New and Revised Standards - Changes in accounting policies on initial application of accounting standards

In the period ended 30 June 2017, the Group has reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for the current reporting period. It has been determined by the Group that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change is necessary to Group accounting policies.

A number of new standards, amendments to standards and interpretations are effective for annual reporting periods beginning after 1 July 2017, and have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the Group.

The Group does not plan to adopt any standards early and the extent of the impact has not been determined.

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.

Note 1 Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

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. Adoption of AASB 8 by the Group has not resulted in a redefinition of previously reported operating segments.

(c) Revenue recognition and receivables

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, allowances and amounts collectable on behalf of third parties.

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

(d) Income tax

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

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

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

Note 1 Summary of significant accounting policies (continued)

(d) Income tax (continued)

timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

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

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

(e) Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases (note 22). Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight line basis over the period of the lease.

(f) Impairment of assets

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

(g) Cash and cash equivalents

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

(h) Government grants

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

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

Note 1 Summary of significant accounting policies (continued)

(i) Fair value estimation

The nominal value less estimated credit 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 income statement.

(k) Mineral exploration and evaluation expenditure

Mineral exploration and evaluation expenditure is written off as incurred or accumulated in respect of each identifiable area of interest and capitalised. These costs are carried forward only if they relate to an area of interest for which rights of tenure are current and in respect of which:

- such costs are expected to be recouped through the successful development and exploitation of the area of interest, or alternatively by its sale; or
- exploration and/or evaluation activities in the area have not reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves and active or significant operations in, or in relation to, the area of interest are continuing.

In the event that an area of interest is abandoned or if the Directors consider the expenditure to be of reduced value, accumulated costs carried forward are written off in the year in which that assessment is made. A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Note 1 Summary of significant accounting policies (continued)

(k) Mineral exploration and evaluation expenditure (continued)

Immediate restoration, rehabilitation and environmental costs necessitated by exploration and evaluation activities are expensed as incurred and treated as exploration and evaluation expenditure. Exploration activities resulting in future obligations in respect of restoration costs result in a provision to be made by capitalising the estimated costs, on a discounted cash basis, of restoration and depreciating over the useful life of the asset. The unwinding of the effect of the discounting on the provision is recorded as a finance cost in the income statement.

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

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

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

(l) Joint ventures and joint operations

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

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

(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.

Note 1 Summary of significant accounting policies (continued)

(n) Employee benefits

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

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

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

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

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

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

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

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

(o) Issued capital

Ordinary shares are classified as equity.

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

Note 1 Summary of significant accounting policies (continued)

(p) Earnings per share

(i) <u>Basic earnings per share</u>
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) <u>Diluted earnings per share</u>
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

(q) Goods and services tax (GST)

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

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

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

(r) Comparative figures

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

(s) Investments and other financial assets

<u>Recognition</u>
When financial assets are recognised initially, they are measured at fair value, plus in the case of investments not at fair value through profit or loss, directly attributable transaction costs. The Group determines the classification of its financial assets after initial recognition and, when allowed and appropriate, re-evaluates this designation at each financial year-end.

All regular way purchases and sales of financial assets are recognised on the trade date, i.e. the date that the Group commits to purchase the asset. Regular way purchases or sales are purchases or sales of financial assets under contracts that require delivery of the assets within the period established generally by regulation or convention in the marketplace.

(i) <u>Financial assets at fair value through profit or loss</u>
A financial asset designated on initial recognition as one to be measured at fair value with fair value changes in profit and loss is included in the category ‘financial assets at fair value through profit or loss’.

Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term. Derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on investments held for trading are recognised in profit or loss.

Note 1 Summary of significant accounting policies (continued)

(s) Investments and other financial assets (continued)

(ii) Held-to-maturity investments
Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Group has the positive intention and ability to hold to maturity. Investments included to be held for an undefined period are not included in this classification. Investments that are intended to be held-to-maturity, such as bonds, are subsequently measured at amortised cost. This cost is computed as the amount initially recognised minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initially recognised amount and the maturity amount. This calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums and discounts. For investments carried at amortised cost, gains and losses are recognised in profit or loss when the investments are derecognised or impaired, as well as through the amortisation process.

(iii) Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

(iv) Financial liabilities
Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

(t) Fair value estimation

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

Investments in equity and debt securities
The fair value of financial assets at fair value through profit or loss, held to maturity investments and available for sale financial assets 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.

Note 1 Summary of significant accounting policies (continued)

(t) Fair value estimation (Continued)

Trade and other receivables
The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date.

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

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

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

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

Note 2 Financial risk management

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

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

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

Cash deposits
The Directors believe any risk associated with the use of predominantly only one bank is addressed through the use of at least an A-rated bank as a primary banker and by the holding of a portion of funds on deposit with alternative A-rated institutions. Except for this matter the Group currently has no significant concentrations of credit risk.

Note 2 Financial risk management (Continued)

(b) Liquidity risk

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

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

(c) Market risk

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

Interest rate risk

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

Equity risk

The Group has no direct exposure to equity price risk.

Foreign exchange risk

The Group intends to undertake operations that may be denominated in currencies other than Australian Dollars.

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

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

Note 3 Critical accounting estimates and judgements

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

Accounting for capitalised exploration and evaluation expenditure
The Group's accounting policy is stated at 1(k). There is some subjectivity involved in the carrying forward as capitalised or writing off to the income statement exploration and evaluation expenditure, however management give due consideration to areas of interest on a regular basis and are confident that decisions to either write off or carry forward such expenditure reflect fairly the prevailing situation.

Accounting for share based payments
The values of amounts recognised in respect of share based payments have been estimated based on the fair value of the equity instruments granted. Fair values of options issued are estimated by using an appropriate option pricing model. There are many variables and assumptions used as inputs into the models. If any of these assumptions or estimates were to change this could have a significant effect on the amounts recognised. See note 15 for details of inputs into option pricing models in respect of options issued during the reporting period.

Note 4 Segment information

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

The Group's future activities will encompass mineral exploration and resource development in various international jurisdictions and as such will then report by separate segments when appropriate. At present the Company has aggregated all operating segments into the one reportable segment being mineral exploration.

The reportable segment is represented by the primary statements forming these financial statements.

	Consolidated	
	2017	2016
	$	$
Note 5 Loss for the year		
Loss before income tax includes the following specific expenses:		
Equity based remuneration	**6,875**	-
Employee expenses	**26,000**	-

	Consolidated	
	2017	2016
	$	$
Note 6 Income tax		
a) Income tax expense		
Current income tax:		
Current income tax charge (benefit)	**16,515**	-
Current income tax not recognised	**(16,515)**	-
Deferred income tax:		
Relating to origination and reversal of timing differences	**16,515**	-
Deferred income tax benefit not recognised	**(16,515)**	-
Income tax expense/(benefit) reported in the income statement	**-**	-
b) Reconciliation of income tax expense to prima facie tax payable		
Profit/(Loss) from continuing operations before income tax expense	**(66,931)**	-
Tax at the Australian rate of 27.5%	**(18,406)**	-
Tax effect of permanent differences:		
Non-deductible share based payment	**1,891**	-
Net deferred tax asset benefit not brought to account	**16,515**	-
Tax (benefit)/expense	**-**	-
c) Deferred tax – Balance Sheet		
Assets		
Revenue losses available to offset against future taxable income	**16,515**	-
Net deferred tax asset not recognised	**16,515**	-
d) Deferred tax – Income Statement		
Assets		
Increase in tax losses carried forward	**16,515**	-
Deferred tax benefit/(expense) movement for the period not recognised	**16,515**	-

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

(i) The Company derives future assessable income of a nature and an amount sufficient to enable the benefit from the tax losses to be realised;

(ii) The Company continues to comply with the conditions for deductibility imposed by tax legislation; and

(iii) No changes in tax legislation adversely affect the Company realising the benefit from the deduction of the losses.

All unused estimated tax losses of $60,056 were incurred by Australian entities.

	Consolidated	
	2017 **$**	2016 $

Note 7 Current assets - Cash and cash equivalents

Cash at bank and on hand	**237,350**	-

Cash at bank earns interest at floating rates based on daily bank deposit rates.

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

Cash and cash equivalents per statement of cash flows	**237,350**	-

(b) Cash balances not available for use
Included in cash and cash equivalents above are no amounts not otherwise available for use.

Note 8 Current assets – Trade and other receivables

GST recoverable	**1,413**	-

Details of fair value and exposure to interest risk are included at note 17.

Note 9 Current assets – Other current assets

Prepaid IPO costs	**158,610**	-

Note 10 Non-Current assets – Loans receivable

Loan to Afranex Gold Limited[1]	**277,352**	-

[1] Amounts incurred by the Company on behalf of Afranex Gold Limited in respect of payment of acquisition option fees and exploration field programs.

The loan to Afranex Gold Limited is non interest bearing and repayable at call. The directors of Riversgold Limited do not intend to call for repayment of the loan within the next 12 months.

	Company	
	2017 **$**	2016 $

Note 11 Non-current assets – Investment in controlled entities

a) Investment in controlled entities

The following amounts represent the respective investments in the share capital of Riversgold Limited's wholly owned subsidiary companies:

Riversgold (Australia) Pty Ltd	**10**	-

Subsidiary Company	Country of Incorporation	Ownership Interest	
		2017	2016
Riversgold (Australia) Pty Ltd	Australia	**100%**	-

- Riversgold (Australia) Pty Ltd was incorporated in Western Australia on 30 May 2017.

The ultimate controlling party of the group is Riversgold Limited.

b) Loans to controlled entities

The following amounts are payable to the parent company, Riversgold Limited at the reporting date:

	2017 **$**	2016 $
Riversgold (Australia) Pty Ltd	**-**	-

In addition, during the financial period the Company advanced US$198,000 (A$277,352) to Afranex Gold Limited. Riversgold Limited completed the acquisition of Afranex Gold Limited on 3 July 2017 (refer note 10).

	Consolidated	
	2017	2016
	$	$

Note 12 Current liabilities – Trade and other payables

Trade payables and accruals	**24,771**	-
Unissued share funds	**210,000**	-
	234,771	-

Liabilities are not secured over the assets of the Group. Details of fair value and exposure to interest risk are included at note 17.

Note 13 Employee benefits

There are no employee benefit liabilities as at 30 June 2017.

During the period ended 30 June 2017 the Company issued shares and options to Directors of the Company in relation to pre-IPO services provided as follows:

	Number of shares	Fair value of shares $	Number of options	Fair value of options[1,2] $
Rod Webster	**87,500**	**4,375**	**1,000,000**	**27,190**
Allan Kelly	**-**	**-**	**1,000,000**	**27,190**
Jeff Foster	**50,000**	**2,500**	**1,000,000**	**27,190**
Total	**137,500**	**6,875**	**3,000,000**	**81,570**

[1] Refer to note 15 for option valuation details.
[2] The fair value of options issued as remuneration is allocated over the respective vesting period of the options. The options issued as remuneration during the period are subject to a vesting period commencing on the date of quotation of the Company's securities on ASX, therefore no expense has been recognised for the period to 30 June 2017.

Note 14 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.

Note 14 Issued capital (Continued)

	Issue price	2017 No.	2016 No.	2017 $	2016 $
b) Share capital					
Issued share capital		**10,137,510**	-	**506,885**	-
c) Share movements during the year					
Balance at the start of the financial period (on incorporation)		**10**	-	**10**	-
Shares issued to directors as consideration for pre-IPO services	$0.05	**137,500**	-	**6,875**	-
Shares issued to pre-IPO investors	$0.05	**10,000,000**	-	**500,000**	-
Less share issue costs		**-**	-	**-**	-
Balance at the end of the financial year		**10,137,510**	-	**506,885**	-

Note 15 Options and share based payments

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

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

a) Options and shares issued during the period
During the financial period the Company granted 137,500 shares and 3,000,000 options over unissued shares to directors of the Company in lieu of remuneration for the provision of pre-IPO services.

b) Options exercised during the period
During the financial period the Company issued no shares on the exercise of options.

c) Options cancelled during the period
During the financial period no options were cancelled on expiry of exercise period or termination of employment.

d) Options on issue at the balance date
The number of options outstanding over unissued ordinary shares at 30 June 2017 is 3,000,000. The terms of these options are as follows:

Number of options outstanding	*Exercise price*	*Expiry date*
3,000,000	20 cents	15 May 2022

The 3,000,000 options on issue at 30 June 2017 are subject to a 24 month vesting period which commences on quotation of the Company's securities on ASX, which had not occurred as at 30 June 2017.

Note 15 Options and share based payments (continued)

e) Subsequent to the balance date

The following options have been granted subsequent to the balance date and to the date of signing this report:

Number of options	*Exercise price*	*Expiry date*
5,000,000[1]	20 cents	3 Years from the Date of Quotation of the Company's Securities on ASX

[1] Options issued to vendors of on the acquisition of Afranex Gold Limited completed on 3 July 2017.

In addition, the Company has entered into agreements to issue the following Vendor Options pursuant to asset and share sale agreements, subject to successful completion of the Company's IPO:

- 11,750,000 options to the vendors of Cambodia Gold Limited; and
- 2,000,000 options to the vendors of the Kurnalpi exploration assets.

All Vendor Options stated above are issued at an exercise price of 20 cents per share and expire 3 years from the date of quotation of the Company's securities on ASX.

No options have been exercised subsequent to the balance date to the date of signing this report. Subsequent to the balance date no options have been cancelled on expiry of the exercise period.

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

	2017		2016	
	No.	**WAEP (cents)**	No.	WAEP (cents)
Options outstanding at the start of the period	**-**	**-**	-	-
Options granted during the period	**3,000,000**	**20.0**	-	-
Options exercised during the period	**-**	**-**	-	-
Options cancelled and expired unexercised during the period	**-**	**-**	-	-
Options outstanding at the end of the period	**3,000,000**	**20.0**	-	-

(g) Weighted average contractual life
The weighted average contractual life for un-exercised options is 59 months.

(h) Basis and assumptions used in the valuation of options.
The remuneration related options issued during the year were valued using the Black-Scholes option valuation methodology.

Date granted	Number of options granted	Exercise price (cents)	Expiry date	Risk free interest rate used	Volatility applied	Value of Options
28 April 2017	3,000,000	20 cents	15 May 2020	2.10%	100%	$81,570

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

A discount of 30% in respect of a lack of marketability has been applied to the Black-Scholes option valuation to reflect the non-negotiability and non-transferability of the unlisted options granted.

	Consolidated			
	2017		2016	
	Accumulated losses $	**Equity remuneration reserve[1] $**	Accumulated losses $	Equity remuneration reserve (i) $
Note 16 Reserves and accumulated losses				
Balance at the beginning of the period	**-**	**-**	-	-
Profit/(Loss) for the period	**(66,931)**	**-**	-	-
Movement in equity remuneration reserve in respect of options issued	**-**	**-**	-	-
Balance at the end of the period	**(66,931)**	**-**	-	-

[1]The equity remuneration reserve is used to recognise the fair value of options issued and vested but not exercised.

Note 17 Financial instruments

Credit risk

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

Impairment losses

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

Interest rate risk

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

	Carrying amount ($)	
	2017	2016
Fixed rate instruments		
Financial assets	**-**	-
Variable rate instruments		
Financial assets	**237,350**	-

Cash flow sensitivity analysis for variable rate instruments

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

Note 17 Financial instruments (continued)

Interest rate risk (continued)

	Profit or loss		Equity	
	1% increase	1% decrease	1% increase	1% decrease
2017				
Variable rate instruments	**2,374**	**(2,374)**	**2,374**	**(2,374)**
2016				
Variable rate instruments	-	-	-	-

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 $
2017							
Trade and other payables	**24,771**	**24,771**	**24,771**	**-**	**-**	**-**	**-**
	24,771	**24,771**	**24,771**	**-**	**-**	**-**	**-**
2016							
Trade and other payables	-	-	-	-	-	-	-
	-	-	-	-	-	-	-

Fair values

Fair values versus carrying amounts

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

	Consolidated			
	2017		2016	
	Carrying amount $	**Fair value $**	Carrying amount $	Fair value $
Cash and cash equivalents	**237,350**	**237,350**	-	-
Loans receivable	**277,352**	**277,352**	-	-
Trade and other payables	**(24,771)**	**(24,771)**	-	-
	489,931	**489,931**	-	-

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

Note 18 Dividends

No dividends were paid or proposed during the financial year ended 30 June 2017.

The Company has no franking credits available as at 30 June 2017.

Note 19 Key management personnel disclosures

(a) *Directors and key management personnel*

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

(i) *Chairman – non-executive*
Rod Webster

(ii) *Executive director*
Allan Kelly, Managing Director

(iii) *Non-executive director*
Jeff Foster

There were no other persons employed by or contracted to the Company during the financial period, 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 period is as follows:

	2017 **$**	2016 $
Total short-term employment benefits	**26,000**	-
Total share based payments[1]	**6,875**	-
Total post-employment benefits	**-**	-
	32,875	-

[1] Shares issued to Directors of the Company for pre-IPO services provided. Options issued to Directors as remuneration are subject to a 24 month vesting period form the date of quotation of the Company's securities on ASX. No expense has been recognised for these options in the period to 30 June 2017.

Note 20 Remuneration of auditors

Audit and review of the Company's financial statements	**3,000**	-
Total	**3,000**	-

Note 21 Contingencies

(i) Contingent liabilities

There were no material contingent liabilities not provided for in the financial statements of the Group as at 30 June 2017 other than:

Native Title and Aboriginal Heritage

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

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

(ii) Contingent assets

There were no material contingent assets as at 30 June 2017.

Note 22 Commitments

(a) Exploration

The Group upon completion of share sale agreements and asset acquisition agreements that it is party to will have 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 the Group does not have any minimum expenditure commitments.

(b) Operating Lease Commitments

As at 30 June 2017 the Company has no operating lease commitments.

(c) Contractual Commitment

There are no material contractual commitments as at 30 June 2017 not otherwise disclosed in the Financial Statements.

Note 23 Related party transactions

Transactions with Directors, as directors of the Company, during the period are disclosed at Note 19 – Key Management Personnel.

In addition, the following transactions have been entered into with Mr Allan Kelly, and his related entities, in respect of his role as a vendor to the IPO subsequent to 30 June 2017:

- 500,000 ordinary fully paid shares received as consideration for the sale of the Churchill Dam exploration assets to the Company as sole vendor; and
- 1,483,505 ordinary fully paid shares and 741,753 options as consideration for the acquisition of the issued capital of Afranex Gold Limited, as a joint vendor.

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

Note 24 Events occurring after the balance sheet date

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

- On 3 July 2017 the Company completed the acquisition of Afranex Gold Limited by the issue of 10 million shares and 5 million options exercisable at 20 cents each and expiring 3 years from the date of quotation of the Company's securities on ASX;
- On 7 July 2017 the Company issued 2,100,000 shares to pre-IPO investors at 10 cents per share;
- On 21 July 2017 the Company issued 2,900,000 shares to pre-IPO investors at 10 cents per share;
- On 4 August 2017 and 11 August 2017, the Company lodged a prospectus and replacement prospectus respectively with ASIC in respect of the Company's IPO. The Company closed the IPO offer on 15 September 2017 and a listing application has been submitted to the ASX as at the date of this financial report.
- Subsequent to the end of the financial period the Company entered into asset and share sale agreements as follows, for which completion of the Company's IPO is a condition precedent to settlement:
  - Acquisition of a 100% interest in the issued capital of Cambodia Gold Pty Ltd by the issue of 23,500,000 ordinary fully paid shares and 11,750,000 options exercisable at 20 cents and expiring 3 years from date of quotation of the Company's securities on ASX; and
  - Acquisition of an 80% interest in the Kurnalpi exploration assets by the issue of 3,000,000 ordinary fully paid shares and 2,000,000 options exercisable at 20 cents and expiring 3 years from the date of quotation of the Company's securities on ASX.
- Subsequent to the end of the financial period the Company entered into a joint venture agreement with Serendipity Resources Pty Ltd regarding the Kurnalpi exploration assets.

	Consolidated	
	2017	2016
	$	$
Note 25 Reconciliation of loss after tax to net cash inflow from operating activities		
Profit/(Loss) from ordinary activities after income tax	**(66,931)**	-
Exploration expenditure	**600**	
Share based payments expense	**6,875**	-
Movement in assets and liabilities:		
(Increase)/decrease in receivables	**(1,413)**	-
Increase/(decrease) in payables	**3,989**	-
Net cash outflow from operating activities	**(56,880)**	-

Note 26 Earnings per share

	Consolidated	
	2017	2016
a) Basic earnings per share	**Cents**	Cents
Loss attributable to ordinary equity holders of the Company	**(2.1)**	n/a
b) Diluted earnings per share		
Loss attributable to ordinary equity holders of the Company	**(2.1)**	n/a
c) Loss used in calculation of basic and diluted loss per share	**$**	$
Consolidated loss after tax from continuing operations	**(66,931)**	n/a
d) Weighted average number of shares used as the denominator	**No.**	No.
Weighted average number of shares used as the denominator in calculating basic earnings per share	**3,145,447**	n/a
Weighted average number of shares used as the denominator in calculating diluted earnings per share	**3,145,447**	n/a

At 30 June 2017 the Company has on issue 3,000,000 unlisted options over ordinary shares that are not considered to be dilutive.

Note 27 Parent entity information

	Company	
	2017	2016
	$	$
Financial position		
Assets		
Current assets	**397,363**	-
Non-current assets	**277,362**	-
Total Assets	**674,725**	-
Liabilities		
Current liabilities	**234,771**	-
Non-current liabilities	**-**	-
Total Liabilities	**234,771**	-
NET ASSETS	**439,954**	-
Equity		
Issued Capital	**506,885**	-
Equity remuneration reserve	**-**	-
Accumulated losses	**(66,931)**	-
TOTAL EQUITY	**439,954**	-
Financial performance		
Loss for the period	**66,931**	-
Other comprehensive income	**-**	-
Total comprehensive loss	**66,931**	-

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 21.

Commitments

For full details of commitments see Note 22.

Riversgold Limited
ABN 64 617 614 598

Directors' Declaration

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

(a) the financial statements and notes set out on pages 17 to 44 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 2017 and of the performance for the period ended on that date of the Group.

(b) the remuneration disclosures that are contained in the Remuneration Report in the Directors Report comply with Australian Accounting Standard AASB 124 Related Party Disclosures, The Corporations Act 2001 and the Corporations Regulations 2001.

(c) there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

(d) 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 2017.

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

Signed at Perth this 21st day of September 2017.

Allan Kelly
Managing Director

INDEPENDENT AUDITOR'S REPORT

To the Members of Riversgold Ltd

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 2017, 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, 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 2017 and of its financial performance for the year then ended; and

b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

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

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Group, would be in the same terms if given to the directors as at the time of this auditor's report.

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

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 2017, 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 Group 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

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

HLB Mann Judd

Report on the Remuneration Report

Opinion on the remuneration report

We have audited the remuneration report included in the directors' report for the year ended 30 June 2017.

In our opinion, the remuneration report of Riversgold Ltd for the year ended 30 June 2017 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

D I Buckley
Partner

Perth, Western Australia
21 September 2017