Riversgold Ltd
ABN 64 617 614 598

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

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Riversgold Limited
ABN 64 617 614 598

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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HLB Mann Judd
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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

Securities Exchange Listing
The Company's shares are quoted on the Australian Securities Exchange. The home exchange is Perth, Western Australia. The ASX Code is RGL.

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.

Riversgold Limited
ABN 64 617 614 598

Directors' Report

The Directors present their report on Riversgold Limited (the Company) and the entities it controlled (the Group) for the year ended 30 June 2018. As the Company was incorporated on 24 February 2017, the comparative period is from 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 Roderick Webster is a mining engineer (University of Sydney) with over 40 years of experience in the resources industry including more than 16 years as CEO of publicly listed companies. He is currently a non-executive Director of Finders Resources Ltd, an ASX listed copper producer with operations in Indonesia. In the last 3 years he has held non-exec directorships with Pembridge Resources Plc (LSX), Coro Mining Corp (TSX) and Weatherly International Plc (AIM).

From 2005 to 2015 Mr Webster was a founding Director and CEO of Weatherly, a company engaged in copper mining and smelting in Namibia. Between 2001 and 2005 Mr Webster was a senior executive with First Quantum Minerals Ltd, a Canadian listed company developing copper mines in Zambia and Mauritania. Mr Webster was also the founding Director and CEO of Western Metals Ltd, a major Australian base metals producer during which time he served on the executive committee of the International Zinc Association. Earlier in his career Mr Webster held management positions with Homestake Gold of Australia Ltd and BHP Minerals Ltd.

Mr Webster is a Fellow of both the Australian Institute of Mining and Metallurgy and the Australian Institute of Company Directors.

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).

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.

Directors (continued)

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
(Appointed 24 February 2017)

Mr Hart is a Chartered Accountant with over 25 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	5,568,515	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 2018, and the number of meetings attended by each Director are as follows:

Director	*Board of Directors' Meetings*	
	Held	*Attended*
R Webster	7	7
A Kelly	7	7
J Foster	7	7

Principal Activities

The principal activity of the Company during the start of the financial year was the preparation for quotation of its securities on the Australian Securities Exchange. Once listed, the Company focussed on exploration of its projects in Australia and Alaska.

Results of Operations

The consolidated loss after income tax for the financial year was $7,387,689 ($66,931 for period from 24 February 2017 to 30 June 2017). Expensed in the current year's consolidated loss is approximately $6.4m of costs incurred on the acquisition of Cambodia Gold Pty Ltd.

Review of Activities

Operations

Riversgold Ltd commenced trading on the Australian Securities Exchange (ASX) on 10 October 2017 following the successful completion of an Initial Public Offering (IPO). During the year, the Company completed the acquisition of various exploration licences and applications in Australia, Alaska and Cambodia.

Exploration

Upon completion of its IPO and listing on the ASX, the Company commenced aircore drilling programs at Yilgani. Promising results from the maiden program initiated two more phases of drilling which were completed during the year.

In February 2018, the Company purchased the high-grade Cutler Gold Project which is adjacent to the Farr- Jones target. Initial drill programs at Cutler and Farr-Jones, both located in the Eastern Goldfields region of Western Australia, produced promising results.

The Company completed the maiden drilling campaign at Farr-Jones towards the end of the year. Subsequent to the end of the reporting period, the Company reported high-grade results from the first two holes drilled at Farr-Jones, including 3m @ 17.8g/t Au in FJRC0001 and 4m @ 6.26g/t Au and 2m @ 7.49g/t Au in FJRC0002.

The Company entered into a Farm-in Agreement with Alloy Resources Limited whereby Riversgold can earn up to an 85% interest in two granted exploration licences adjacent to its highly prospective Queen Lapage and Acra South targets.

The Company has applications for four areas in the Mondulkiri Province of Cambodia and is currently waiting for the exploration licences to be granted.

Preparations for the Alaskan field season, including discussions with drilling and geophysical consultants, commenced towards the end of the year.

Financial Position

At the end of the financial year the Group had $2,895,471 (30 June 2017: $237,350) in cash and at call deposits. During the year $290,000 was received from seed investors and proceeds of $6,125,485 (before costs) was received from investors in the Initial Public Offer. Capitalised mineral exploration and evaluation expenditure at 30 June 2018 was $4,667,898 (30 June 2017: $nil) which included capitalised acquisition costs for the Kurnalpi Project, the Churchill Dam Project and the exploration projects in Alaska.

Significant Changes in the State of Affairs

During the financial year the Company completed a number of acquisitions as outlined below:

- On 3 July 2017, the Company issued 10,000,000 Shares and 5,000,000 Vendor Options thereby completing the acquisition of Afranex Gold Limited (Afranex) and its wholly owned subsidiaries: Afranex (Alaska) Limited, North Fork Resources Pty Ltd, North Fork Resources LLC and Black Peak LLC. Afranex, through its wholly owned subsidiaries, owned the Luna, Quicksilver and Kisa mineral claims located in Alaska, USA.

Significant Changes in the State of Affairs (continued)

- In October 2017, the Company issued 3,000,000 Shares and 2,000,000 Vendor Options to Serendipity Resources Pty Ltd to acquire an 80% interest in the Kurnalpi exploration assets in Western Australia.
- In October 2017, the Company issued 500,000 Shares to Debnal Pty Ltd, an entity associated with Mr Allan Kelly, to acquire a 100% interest in the Churchill Dam exploration assets in South Australia.
- In October 2017, the Company issued 23,500,000 Shares and 11,750,000 Vendor Options to acquire the share capital of Cambodia Gold Pty Ltd which has applications for mineral exploration licences in the Mondulkiri Province of Cambodia.
- On 6 October 2017, the Company was admitted to the Official List of the Australian Securities Exchange following the successful completion of its initial public offer, pursuant to a prospectus lodged with the Australian Securities and Investments Commission on 11 August 2017, which raised approximately $6.12 million before costs associated with the offer.
- In February 2018 the Company purchased a 100% interest in the Cutler gold prospect which is adjacent to the existing Farr-Jones target located in the Eastern Goldfields of Western Australia. The Company paid $40,700 cash and issued 450,000 fully paid ordinary shares and 450,000 unlisted options with an exercise price of $0.20 and an expiry date 24 months after the issue, to private company Westex Resources Pty Ltd.
- In February 2018 the Company entered into a Farm-in Agreement with Alloy Resources Limited (Alloy) whereby the Company can earn up to an 85% interest in two granted Exploration Licences adjacent to its Queen Lapage and Acra South targets. The Company paid $30,000 in cash and must meet the minimum statutory expenditure requirements of $114,000 per annum for 3 years in order to earn an initial 70%.

Other than the matters above, there were no significant changes in the state of affairs of the Company during the financial year.

Options over Unissued Capital

Unlisted Options

During the financial year, the Company issued 19,200,000 unlisted options (2017: Nil) as part consideration for the purchase of assets. As at the date of this report 22,200,000 unissued ordinary shares of the Company are under option as follows:

Number of Options Granted	*Exercise Price*	*Expiry Date*
3,000,000 [1]	20 cents	15 May 2022
18,750,000 [2]	20 cents	10 October 2020
450,000 [3]	20 cents	19 March 2020

[1] Options are subject to a restriction period of 24 months from 10 October 2017, the date the Company commenced trading on ASX.

[2] Options are subject to ASX imposed restriction periods of either 12 months from date of issue or 24 months from date of quotation. These options will vest and be exercisable at the end of the restriction period.

[3] Options have vested and are exercisable at the date of this report.

Options over Unissued Capital (continued)

During the financial year no options have been cancelled.

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

No options have been issued, vested, exercised or cancelled between the end of the financial year and the date of this report.

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		
	2018	*2017*
Ordinary fully paid shares	**83,214,935**	10,137,510

During the financial year the Company issued 5,000,000 shares to seed investors, 30,627,425 shares to investors under the Initial Public Offer and 37,450,000 shares as part consideration for the acquisition of assets.

No shares have been issued between the end of the financial year and the date of this report.

There are no unpaid amounts on the shares issued.

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

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.

Likely Developments and Expected Results of Operations

The Company expects to maintain exploration programs at the Kurnalpi, Churchill Dam and Alsakan exploration projects.

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.

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

<u>Executive Director and Other Key Management Personnel Remuneration</u>

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.

<u>Incentive Plans</u>

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.

<u>Engagement of Non-Executive Directors</u>

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 2018.

Remuneration Report (Continued)

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, was effective from the admission of the Company to the Official List of the ASX, 6 October 2017. 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 year and the previous financial period:

	2018	2017
Loss for the period attributable to shareholders	**$7,387,689**	**$66,931**
Closing share price at 30 June	**11 cents**	**n/a**

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

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

Remuneration Report (Continued)

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:

30 June 2018	**Short Term Benefits**		**Post-Employment Benefits**	**Other Long Term Benefits**		
	Base Salary $	**Short Term Incentive $**	**Superannuation Contributions $**	**Value of Options [4] $**	**Total $**	**Proportion Performance Related %**
Rod Webster[2]	**51,075**	**-**	**-**	**12,759**	**63,834**	**-**
Allan Kelly[1]	**194,044[3]**	**-**	**15,774**	**12,759**	**222,577**	**-**
Jeff Foster[2]	**30,000**	**-**	**2,850**	**12,759**	**45,609**	**-**
Total	**275,119**	**-**	**18,624**	**38,277**	**332,020**	

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

[1] Date of appointment 24 February 2017. Payment of remuneration commenced on 6 October 2017.
[2] Date of appointment 24 April 2017. Payment of remuneration commenced on 6 October 2017.
[3] Mr Kelly received a retainer of $2,000 per week for his executive services up to 6 October 2017.
[4] The Company issued shares and options to the Directors in lieu of pre-IPO services provided. The fair value of Options issued as remuneration is calculated using a Black-Scholes Option Pricing model with the fair value allocated to each reporting period to vesting date. As the options were subject to a 24 month vesting period from quotation of the Company's securities on ASX, no expense was recognised in the prior year.

Remuneration Report (Continued)

Remuneration Disclosures (Continued)

Details of Performance Related Remuneration

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

Share and Options Granted as Remuneration

There were no ordinary shares or options over unissued shares granted as remuneration to Directors or Key Management Personnel of the Company during the financial year ended 30 June 2018.

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

No options have been issued, exercised or cancelled since the end of the financial year ended 30 June 2018.

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

2018 **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**	**Vested and exercisable at 30.06.2018**
Directors					
Rod Webster	**1,000,000**	**-**	**-**	**1,000,000**	**-**
Allan Kelly	**1,000,000**	**-**	**741,753**	**1,741,753**	**-**
Jeff Foster	**1,000,000**	**-**	**-**	**1,000,000**	**-**

(i) Other changes during the current financial year relate to options issued to Mr Kelly or his related parties as shareholders of Afranex Gold Pty Ltd on the acquisition of the Afranex group by 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 30.06.2017
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.

2018 **Name**	**Balance at start of the year**	**Received during the year as remuneration**	**Other changes during the year(i)**	**Balance at the end of the year**
Directors				
Rod Webster	**1,287,500**	**-**	**-**	**1,287,500**
Allan Kelly	**2,000,000**	**-**	**3,568,515**	**5,568,515**
Jeff Foster	**1,550,000**	**-**	**-**	**1,550,000**

2017 Name	Balance at start of the period	Received during the period as remuneration	Other changes during the period (ii)	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 current financial year includes shares issued to Mr Kelly or his related parties as shareholders of Afranex Gold Pty Ltd on the acquisition of the Afranex group by the Company, together with the purchase of shares through the Company's Initial Public Offer.

(ii) 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 financial year.

Loans from key management personnel

During the year, Mr Kelly was paid $5,001 as repayment of a loan previously made by Mr Kelly to the Afranex Group. This loan was assumed by the Company on acquisition of Afranex Gold Pty Ltd.

Other transactions with key management personnel

There were no other transactions with key management personnel.

End of Remuneration Report

Officers' Indemnities and Insurance

During the year the Company paid an insurance premium to insure certain officers of the Company. The officers of the Company covered by the insurance policy include the Directors named in this report.

The Directors and Officers Liability insurance provides cover against all costs and expenses that may be incurred in defending civil or criminal proceedings that fall within the scope of the indemnity and that may be brought against the officers in their capacity as officers of the Company. The insurance policy does not contain details of the premium paid in respect of individual officers of the Company. Disclosure of the nature of the liability cover and the amount of the premium is subject to a confidentiality clause under the insurance policy.

The Company has not provided any insurance for an auditor of the Company.

Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company or Group, or to intervene in any proceedings to which the Company or Group is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Company or Group with leave of the Court under section 237 of the Corporations Act 2001.

Non-audit Services

During the financial 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:	**2018** **$**	2017 $
Audit and review of the Company's financial statements	**30,000**	**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 27th day of September 2018.

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 Limited for the year ended 30 June 2018, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

(a) the auditor independence requirements as set out in 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**
27 September 2018	**Partner**

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

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Riversgold Limited
ABN 64 617 614 598

Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the financial year ended 30 June 2018

	Note	Consolidated	
		30 June 2018 **$**	24 February to 30 June 2017 $
Income			
Interest income	5	**58,048**	-
Expenses			
Employee and director expenses	5	**(311,305)**	(32,875)
Corporate expenses		**(94,060)**	(1,377)
Administration and other expenses		**(427,018)**	(32,079)
Cambodia Gold Pty Ltd acquisition costs expensed	5	**(6,397,398)**	-
Financing costs		**(12,820)**	
Loss on deconsolidation		**(169,969)**	-
Depreciation expense		**(17,356)**	-
Exploration costs expensed		**(15,811)**	(600)
Loss before income tax		**(7,387,689)**	(66,931)
Income tax expense	6	**-**	-
Loss after tax		**(7,387,689)**	(66,931)
Other comprehensive income, net of income tax		**-**	-
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations		**54,845**	-
Total comprehensive loss for the period		**(7,332,844)**	(66,931)
		Cents	Cents
Basic loss per share	29	**(10.7)**	(2.1)
Diluted loss per share	29	**(10.7)**	(2.1)

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

Riversgold Limited
ABN 64 617 614 598

Consolidated Statement of Financial Position
As at 30 June 2018

	Note	Consolidated	
		30 June 2018 **$**	30 June 2017 $
Current assets			
Cash and cash equivalents	7	**2,895,471**	237,350
Trade and other receivables	8	**21,897**	1,413
Other current assets	9	**440**	158,610
Total current assets		**2,917,808**	397,373
Non-current assets			
Property, plant and equipment	10	**108,047**	-
Capitalised exploration and acquisition costs	11	**4,667,898**	-
Loans receivable	13	**-**	277,352
Total non-current assets		**4,775,945**	277,352
Total assets		**7,693,753**	674,725
Current liabilities			
Trade and other payables	14	**201,270**	234,771
Employee leave liabilities	15	**13,986**	-
Total current liabilities		**215,256**	234,771
Total liabilities		**215,256**	234,771
Net assets		**7,478,497**	439,954
Equity			
Issued capital	16	**12,845,783**	506,885
Accumulated losses		**(7,454,620)**	(66,931)
Reserves	18	**2,087,334**	-
Total equity		**7,478,497**	439,954

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

Riversgold Limited
ABN 64 617 614 598

Consolidated Statement of Changes in Equity
For the financial year ended 30 June 2018

	Consolidated				
	Issued capital $	Accumulated losses $	Share-based payment reserve $	Foreign currency translation reserve $	Total $
At 24 February 2017	-	-	-	-	-
Comprehensive loss for the period	-	(66,931)	-	-	(66,931)
Transactions with equity holders in their capacity as equity holders:					
Shares issued	506,885	-	-	-	506,885
Balance at 30 June 2017	506,885	(66,931)	-	-	439,954
At 1 July 2017	**506,885**	**(66,931)**	**-**	**-**	**439,954**
Loss for the year	**-**	**(7,387,689)**	**-**	**-**	**(7,387,689)**
Exchange rate fluctuations	**-**	**-**	**-**	**54,845**	**54,845**
Total comprehensive loss	**-**	**(7,387,689)**	**-**	**54,845**	**(7,332,844)**
Transactions with equity holders in their capacity as equity holders:					
Securities issued	**13,092,985**	**-**	**1,994,212**	**-**	**15,087,197**
Share issue costs	**(754,087)**	**-**	**-**	**-**	**(754,087)**
Share-based payments:					
Employees/directors	**-**	**-**	**38,277**	**-**	**38,277**
Balance at 30 June 2018	**12,845,783**	**(7,454,620)**	**2,032,489**	**54,845**	**7,478,497**

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

Riversgold Limited
ABN 64 617 614 598

Consolidated Statement of Cash Flows
For the financial year ended 30 June 2018

	Note	Consolidated	
		30 June 2018 $	24 February to 30 June 2017 $
Cash flows from operating activities			
Payments to suppliers and employees		**(830,230)**	(56,880)
Interest received		**56,658**	-
Interest paid		**(12,820)**	-
Net cash used in operating activities	28	**(786,392)**	(56,880)
Cash flows from investing activities			
Loans to related entities		**-**	(277,352)
Post IPO reimbursement of expenses		**(226,666)**	-
Payments for exploration and evaluation		**(1,822,777)**	(600)
Payment for property, plant and equipment		**(125,403)**	-
Cash received on acquisition of subsidiary		**12,567**	-
Net cash used in investing activities		**(2,162,279)**	(277,952)
Cash flows from financing activities			
Proceeds from the issue of shares		**6,415,485**	500,010
Proceeds received for shares not yet issued		**-**	210,000
Payments for share issue costs		**(620,248)**	(137,828)
Repayment of borrowings		**(229,504)**	-
Net cash from financing activities		**5,565,733**	572,182
Net increase in cash held		**2,617,062**	237,350
Cash at the beginning of the financial year/period		**237,350**	-
Effect of exchange rate fluctuations on cash held		**41,059**	-
Cash at the end of the financial year/period		**2,895,471**	237,350

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

Notes to the Consolidated Financial Statements
For the financial year ended 30 June 2018

Note 1 Summary of significant accounting policies

Riversgold Limited ('the Company') is a listed public company domiciled in Australia. The consolidated financial report of the Company for the financial year ended 30 June 2018 comprises the Company and its subsidiaries (together referred to as the 'Group').

The following is a summary of the material accounting policies adopted by the Group in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

The comparative figures in the statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cashflows and related notes are for the period from the date of incorporation 24 February 2017 to 30 June 2017.

(a) Basis of preparation

This general purpose financial report has been prepared in accordance with Australian equivalents to International Financial Reporting Standards (AIFRS), other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

The financial report is presented in Australian dollars and all values are rounded to the nearest dollar.

The financial report of the Group was authorised for issue in accordance with a resolution of Directors on 27th September 2018.

Going Concern
Notwithstanding the Group had working capital of $2,702,552 (2017: $162,602) as at balance date, the Directors recognise the Group is dependent on capital raises to meet expenditure forecasts. The Directors believe the Group will be able to raise sufficient funds to meet its obligations as and when they fall due.

In the event the Group does not achieve the matter set out above, there is a material uncertainty that may cast significant doubt whether the Group will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial statements.

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

Application of new or revised accounting standards
In the year ended 30 June 2018, 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 material impact of the new and revised Standards and Interpretations on its business and, therefore, no material change is necessary to Group accounting policies.

New Accounting Standards and Interpretations not yet mandatory or early adopted
Australian Accounting Standards and Interpretations that have recently been issued or amended, but are not yet mandatory, have not been early adopted by the Group for the reporting period ended 30 June 2018.

The Group's assessment of the impact of these new or amended Accounting Standards and Interpretations most relevant to the Group are set out below:

Note 1 Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

New Accounting Standards and Interpretations not yet mandatory or early adopted (continued)

AASB 9 Financial Instruments
This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard replaces all previous versions of AASB 9 and completes the project to replace IAS 39 "Financial Instruments: Recognition and Measurement". AASB 9 introduces new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost, if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows, which arise on specified dates and solely principal and interest. All other financial instrument assets are to be classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading) in other comprehensive income ("OCI").

For financial liabilities, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity. New impairment requirements will use an 'expected credit loss' ("ECL") model to recognise an allowance. Impairment will be measured under a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. The standard introduces additional new disclosures.

The Group does not expect any material impact from the ultimate adoption of AASB 9.

AASB 16 Leases
This standard is applicable to annual reporting periods beginning on or after 1 January 2019. The standard replaces AASB 117 "Leases" and for lessees will eliminate the classifications of operating leases and finance leases. Subject to exceptions, a "right-of-use" asset will be capitalised in the statement of financial position, measured as the present value of the unavoidable future lease payments to be made over the lease term. The exceptions relate to short-term leases of 12 months or less and leases of low-value assets (such as personal computers and small office furniture) where an accounting policy choice exists whereby either a "right-of-use" asset is recognised or lease payments are expensed to profit or loss as incurred. A liability corresponding to the capitalised lease will also be recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs.

Straight-line operating lease expense recognition will be replaced with a depreciation charge for the leased asset (included in operating costs) and an interest expense on the recognised lease liability (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results will be improved as the operating expense is replaced by interest expense and depreciation in profit or loss under AASB 16. For classification within the statement of cash flows, the lease payments will be separated into both a principal (financing activities) and interest (either operating or financing activities) component. For lessor accounting, the standard does not substantially change how a lessor accounts for leases.

The Group will adopt this standard from 1 July 2019. Management has reviewed the impact and recognises there will be a material change in relation to the accounting treatment for its office lease. Whilst this will result in recognising both an asset and liability, it will not materially impact the overall net asset position.

Note 1 Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

Reporting basis and conventions
These financial statements have been prepared under the historical cost convention, and on an accrual basis.

Critical accounting estimates
The preparation of financial statements in conformity with AIFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

Principles of consolidation
The financial statements of subsidiary companies are included in the consolidated financial statements from the date control commences until the date control ceases. The financial statements of subsidiary companies are prepared for the same reporting period as the parent company, using consistent accounting policies.

Inter-entity balances resulting from transactions with or between controlled entities are eliminated in full on consolidation. Investments in subsidiary companies are accounted for at cost in the individual financial statements of the Company.

(b) Segment reporting

Operating segments are identified and segment information disclosed, where appropriate, on the basis of internal reports reviewed by the Company's board of directors, being the Group's Chief Operating Decision Maker, as defined by AASB 8. 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.

Note 1 Summary of significant accounting policies (continued)

(d) Income tax (continued)

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

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

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

(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 25). 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 profit or loss.

(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.

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.

Note 1 Summary of significant accounting policies (continued)

(k) Mineral exploration and evaluation expenditure (continued)

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.

(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.

Note 1 Summary of significant accounting policies (continued)

(n) Employee benefits (continued)

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) *Basic earnings per share*
Basic earnings per share is calculated by dividing the earnings attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

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

(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

Recognition
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) *Financial assets at fair value through profit or loss*
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 undertakes operations outside of Australia that are denominated in currencies other than Australian Dollars.

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

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 application of the Group's accounting policy for exploration and evaluation expenditure (see note 1(k)) requires judgment in determining whether it is likely that future economic benefits are likely either from future exploitation or sale or where activities have not reached a stage which permits a reasonable assessment of the existence of reserves. The deferral policy requires management to make certain estimates and assumptions about future events or circumstances, in particular whether an economically viable extraction operation can be established. Estimates and assumptions made may change if new information becomes available.

Note 3 Critical accounting estimates and judgements (continued)

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

The following tables present revenue and profit information and certain asset and liability information regarding operating segments for the year ended 30 June 2018. At 30 June 2017, the Company only had one operating segment of mineral exploration in Australia.

30 June 2018	Australia $	Alaska $	Cambodia $	Consolidated $
Interest income	58,048	-	-	58,048
Segment revenue	58,048	-	-	58,048
Segment loss before income tax expense	746,671	188,645	6,452,373	7,387,689
Segment assets	5,537,831	2,155,912	10	7,693,753
Segment liabilities	215,256	-	-	215,256
Included within segment loss				
Depreciation	17,356	-	-	17,356
Loss on deconsolidation	-	169,969	-	169,969
Cambodia Gold acquisition costs expensed	-	-	6,397,398	6,397,398
Employee and director expenses	311,305	-	-	311,305
Interest expense	12,820	-	-	12,820
Included within segment assets				
Fixed asset expenditure during the period	125,403	-	-	125,403
Acquisition of exploration projects	1,252,661	1,902,129	-	3,154,790
Exploration incurred during the period	1,270,491	401,131	-	1,671,622
Cash flow information				
Net cash outflows from operating activities	(740,607)	(4,898)	(40,886)	(786,392)
Net cash outflows from investing activities	(1,757,384)	(404,896)	-	(2,162,279)
Net cash inflows from financing activities	5,565,733	-	-	5,565,733

	Consolidated	
	30 June 2018	24 February to 30 June 2017
	$	$

Note 5 Loss for the year

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

Income		
Interest income	**58,048**	-
Employee Expenses		
Salaries and wages	**447,764**	-
Directors Fees	**51,075**	26,000
Superannuation	**39,878**	-
Annual leave provided for	**13,986**	-
Equity based remuneration	**38,277**	6,875
Other employee costs	**3,634**	-
Less: amount allocated to exploration	**(283,309)**	
Net employee expenses	**311,305**	32,875
Other Expenses include the following specific expenses:		
Insurance	**28,209**	-
Travel and accommodation	**50,833**	-
Information technology expenses	**44,440**	-
Occupancy expenses	**44,274**	-
Marketing expenses	**72,147**	-
	239,903	-

Cambodia Gold acquisition costs expensed

On acquisition of Cambodia Gold Pty Ltd, the Company acquired applications for mineral exploration licences in the Mondulkiri Province of Cambodia which were valued at $6,179,732. Accounting standard *AASB 6 Exploration for and Evaluation of Mineral Resources* states that exploration expenditure can only be capitalised where the rights to tenure of the area of interest are current. As the exploration licences for the Cambodian tenements have not yet been granted, the $6,179,732 has been expensed.

In addition, there were further costs of $217,666 in relation to the acquisition that were incurred post the Initial Public Offer.

	Consolidated	
	2018	2017
	$	$
Note 6 Income tax		
a) Income tax expense		
Current income tax:		
Current income tax charge (benefit)	**596,925**	16,515
Current income tax not recognised	**(596,925)**	(16,515)
Deferred income tax:		
Relating to origination and reversal of timing differences	**357,919**	16,515
Deferred income tax benefit not recognised	**(357,919)**	(16,515)
Income tax expense reported in the statement of profit and loss and other comprehensive income	**-**	-
b) Reconciliation of income tax expense to prima facie tax payable		
Profit/(Loss) from continuing operations before income tax expense	**(7,387,689)**	(66,931)
Tax at the Australian rate of 27.5%	**(2,031,614)**	(18,406)
Capital raising costs claimed	**(41,475)**	-
Non-deductible share-based payment	**10,526**	1,891
Tax effect of non-deductible expenses	**1,746,171**	-
Net deferred tax asset benefit not brought to account	**316,392**	16,515
Tax (benefit)/expense	**-**	-
c) Deferred tax – Balance Sheet		
Assets		
Revenue losses available to offset against future taxable income	**621,579**	16,515
Accrued expenses and leave provisions	**25,235**	-
Deductible equity raising costs	**165,899**	-
	812,713	16,515
Liabilities		
Capitalised exploration - Australia	**(454,753)**	-
Net deferred tax asset not recognised	**357,919**	-

Note 6 Income tax (continued)

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 tax losses were incurred by Australian entities.

	Consolidated	
	2018	2017
	$	$
Note 7 Current assets - Cash and cash equivalents		
Cash at bank and on hand	**1,895,471**	237,350
Short term deposit [1]	**1,000,000**	-
Total cash and cash equivalents	**2,895,471**	237,350

[1] Short term deposits are made for varying periods of between 1 and 3 months depending upon the immediate cash requirements of the Group and earn interest at the respective short term interest 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:

	2018	2017
Cash and cash equivalents per statement of cash flows	**2,895,471**	237,350

(b) *Cash balances not available for use*

Included in cash and cash equivalents above are amounts pledged as guarantees for the following:

	2018	2017
Office rental bond	**7,073**	-

Note 8 Current assets – Trade and other receivables

	2018	2017
GST receivable	**20,508**	1,413
Accrued income	**1,389**	-
	21,897	1,413

Details of fair value and exposure to interest risk are included at note 19.

Note 9 Current assets – Other current assets

	2018	2017
Prepaid IPO expenses	**-**	158,610
Security bond	**440**	-
	440	158,610

	Consolidated	
	2018	2017
	$	$

Note 10 Non-Current assets – Property, plant and equipment

Field equipment		
At cost	**8,581**	-
Accumulated depreciation	**(1,134)**	-
	7,447	-
Office equipment		
At cost	**69,325**	-
Accumulated depreciation	**(11,275)**	-
	58,050	-
Motor Vehicles		
At cost	**47,497**	-
Accumulated depreciation	**(4,947)**	-
	42,550	-
	108,047	-
Reconciliation		
Field equipment		
Opening net book value	**-**	-
Additions	**8,581**	-
Depreciation	**(1,134)**	-
Closing net book value	**7,447**	-
Office equipment		
Opening net book value	**-**	-
Additions	**69,325**	-
Depreciation	**(11,275)**	-
Closing net book value	**58,050**	-
Motor Vehicles		
Opening net book value	**-**	-
Additions	**47,497**	-
Depreciation	**(4,947)**	-
Closing net book value	**42,550**	-

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

	Consolidated	
	2018	2017
	$	$

Note 11 Capitalised exploration and acquisition costs

Balance at the beginning of the period	**-**	-
Capitalisation of acquisition costs for Kurnalpi project [1]	**1,025,479**	-
Capitalisation of acquisition costs for Churchill Dam project [2]	**100,000**	-
Capitalisation of acquisition costs for Afranex Gold Pty Ltd [3]	**1,902,129**	-
Write down of Afranex acquisition costs on deconsolidation of Black Peak LLC [4]	**(158,514)**	-
Capitalisation of acquisition costs for Cutler gold prospect [5]	**127,182**	-
Exploration expenditure incurred (including movement in USD AUD exchange rates)	**1,671,622**	-
Balance at the end of the period	**4,667,898**	-

[1] Capitalised acquisition costs and fair value of exploration assets recognised on the acquisition of the Kurnalpi project from Serendipity Resources Pty Ltd. Refer to Note 20(c).
[2] Fair value of exploration assets recognised on the acquisition of the Churchill Dam project from Debnal Pty Ltd. Refer to Note 20(d).
[3] Fair value of exploration assets initially recognised on the acquisition of Afranex Gold Pty Ltd. Refer Note 20(a).
[4] On dissolution of Black Peak LLC, a wholly owned subsidiary of Afranex Gold Pty Ltd, the fair value uplift in exploration costs which were previously recognised on consolidation of the Afranex group, were written off on deconsolidation of Black Peak LLC.
[5] Capitalised costs of acquisition includes the fair value of 450,000 shares, 450,000 options and cash consideration for the acquisition of E25/550 from Westex Resources Pty Ltd.

The fair value of exploration assets acquired from Cambodia Gold Pty Ltd were expensed during the reporting period. Refer to Notes 5 and 20(b).

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

Note 12 Interests in joint ventures and farm-in arrangements

a) Joint Venture Agreements – Joint Operations

Joint venture agreements may be entered into with third parties.

Assets employed by these joint ventures and the Group’s expenditure in respect of them is brought to account initially as capitalised exploration and evaluation expenditure until a formal joint venture agreement is entered into. Thereafter, investment in joint ventures is recorded distinctly from capitalised exploration costs incurred on the company’s 100% owned projects.

The Company was party to the following farm-in arrangements during the financial year ended 30 June 2018:

Note 12 Interests in joint ventures and farm-in arrangements (continued)

b) Farm-in Arrangements

Alloy Joint Venture – Earning In

The Company has entered into an agreement with Alloy Resources Limited ("Alloy") whereby the Company can earn up to an 85% interest in two granted Exploration Licences adjacent to its highly prospective Queen Lapage and Acra South targets in Western Australia.

Significant terms of the farm-in arrangement as follows:

- The Company will pay Alloy $30,000 cash as reimbursement for previous expenditure on the tenements.
- The Company must meet the minimum statutory expenditure of $114,000 for the first year before withdrawing from the agreement.
- The Company can earn an initial 70% interest in the tenements by meeting statutory minimum expenditure requirements $114,000pa for 3 years, including the first year.
- Upon the Company earning 70%, Alloy can elect to contribute pro-rata to further exploration or revert to a 15% free-carried interest to completion of a Definitive Feasibility Study ("DFS"), whereby the Company will have earned an 85% interest in the tenements.
- Upon completion of the DFS, Alloy will have an opportunity to contribute pro-rata to further exploration/development or revert to a 1.5% Net Smelter Royalty.
- The Company will manage exploration on the tenements.

	Consolidated	
	2018	2017
	$	$
Note 13 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. On acquisition and consolidation of Afranex, this inter-company loan is eliminated.

Note 14 Current liabilities – Trade and other payables

	2018	2017
Trade payables	**109,190**	24,771
Accrued expenses	**77,775**	-
Employment related payables	**14,305**	-
Unissued share funds	**-**	210,000
	201,270	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 19.

	Consolidated	
	2018	2017
	$	$

Note 15 Current liabilities - Employee leave liabilities

Annual leave liability	**13,986**	-

Note 16 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 16 Issued capital (Continued)

	Issue price	**Twelve months to 30 June 2018**		24 February 2017 to 30 June 2017	
		Number	**$**	Number	$
b) Share capital					
Issued share capital		**83,214,935**	**12,845,783**	10,137,510	506,885
c) Share movements during the year					
Balance at the start of the period		**10,137,510**	**506,885**	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
Shares issued to pre-IPO investors	$0.10	**5,000,000**	**500,000**	-	-
Shares issued to acquire Afranex Gold Ltd	$0.10	**10,000,000**	**1,000,000**	-	-
Shares issued to acquire Cambodia Gold Pty Ltd	$0.20	**23,500,000**	**4,700,000**	-	-
Shares issued to acquire the Kurnalpi Project	$0.20	**3,000,000**	**600,000**	-	-
Shares issued to acquire the Churchill Dam Project	$0.20	**500,000**	**100,000**	-	-
Shares issued under the Offer	$0.20	**30,627,425**	**6,125,485**	-	-
Shares issued to acquire the Cutler gold prospect	$0.15	**450,000**	**67,500**		
Less share issue costs		**-**	**(754,087)**	-	-
Balance at the end of the financial year		**83,214,935**	**12,845,783**	10,137,510	506,885

Note 17 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.

Note 17 Options and share-based payments (continued)

a) Options and shares issued during the period

During the financial year the Company issued 37,450,000 shares and 19,200,000 options over unissued shares to vendors for various acquisitions as shown in the tables below. (2017: 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).

Options:

Issue Date	*Number*	*Exercise price*	*Expiry date*
3/7/2017	5,000,000[1]	20 cents	10 October 2020
26/9/2017	13,750,000[2]	20 cents	10 October 2020
19/3/2018	450,000[3]	20 cents	19 March 2020

[1] Options issued to vendors on the acquisition of Afranex Gold Limited.

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

[3] 450,000 options to Westex Resources Pty Ltd to purchase Exploration Licence E25/550 in the Cutler Gold Prospect.

Shares:

Issue Date	*Number*
3/7/2017	10,000,000[1]
26/9/2017	27,000,000[2]
19/3/2018	450,000[3]

[1] Shares issued to vendors on the acquisition of Afranex Gold Limited.

[2] 23,500,000 shares to the vendors of Cambodia Gold Limited, 3,000,000 shares to the vendors of the Kurnalpi exploration assets and 500,000 shares to the vendor of the Churchill Dam exploration assets.

[3] 450,000 shares to Westex Resources Pty Ltd to purchase Exploration Licence E25/550 in the Cutler Gold Prospect.

b) Options exercised during the period

During the financial year the Company issued no shares on the exercise of options. (2017: Nil)

c) Options cancelled during the period

During the financial year no options were cancelled on expiry of exercise period or termination of employment. (2017: Nil)

d) Options on issue at the balance date

The number of options outstanding over unissued ordinary shares at 30 June 2018 is 22,200,000 (2017: 3,000,000). The terms of these options are as follows:

Date Granted	*Number*	*Exercise price*	*Escrowed Until*	*Expiry date*
15 May 2017	3,000,000	20 cents	10 October 2019	15 May 2022
3 Jul 2017	4,195,987	20 cents	21 July 2018	10 October 2020
3 Jul 2017	804,013	20 cents	10 October 2019	10 October 2020
26 Sep 2017	13,750,000	20 cents	26 September 2018	10 October 2020
19 Mar 2018	450,000	20 cents	-	19 March 2020
Total	**22,200,000**			

Note 17 Options and share-based payments (continued)

e) Subsequent to the balance date

No options have been granted subsequent to the balance date and to the date of signing this report.

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) Basis and assumptions used in the valuation of options.

The options issued during the current reporting period 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
3 July 2017	5,000,000	20 cents	10 October 2020	2.10%	100%	$257,400
26 September 2017	13,750,000	20 cents	10 October 2020	2.10%	100%	$1,721,081
19 March 2018	450,000	20 cents	19 March 2020	2.76%	56%	$15,731

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

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

	2018		2017	
	No.	**WAEP (cents)**	No.	WAEP (cents)
Options outstanding at the start of the period	**3,000,000**	**20.0**	-	-
Options granted during the period	**19,200,000**	**20.0**	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	**22,200,000**	**20.0**	3,000,000	20.0

h) Weighted average contractual life

The weighted average remaining contractual life for un-exercised options is 29 months (2017: 59 months).

	Consolidated			
	2018		2017	
	Foreign exchange translation reserve (i)	**Share-based payment reserve (ii)**	Foreign exchange translation reserve	Share-based payment reserve (i)
	$	**$**	$	$
Note 18 Reserves				
Balance at the beginning of the year/period	**-**	**-**	-	-
Movement in foreign translation reserve in respect of exchange rate	**54,845**	**-**	-	-
Movement in share-based payment reserve in respect of options issued	**-**	**2,032,489**	-	-
Balance at the end of the year/period	**54,845**	**2,032,489**	-	-

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

(ii) The share-based payment reserve is used to recognise the fair value of options issued and vested but not exercised.

Note 19 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 ($)	
	2018	2017
Fixed rate instruments		
Financial assets	**1,000,000**	-
Variable rate instruments		
Financial assets	**1,895,471**	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 19 Financial instruments (continued)

Interest rate risk (continued)

	Profit or loss		Equity	
	1% increase	1% decrease	1% increase	1% decrease
2018				
Variable rate instruments	**18,955**	**(18,955)**	**18,955**	**(18,955)**
2017				
Variable rate instruments	2,374	(2,374)	2,374	(2,374)

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 $
2018							
Trade and other payables	**201,270**	**201,270**	**201,270**	**-**	**-**	**-**	**-**
	201,270	**201,270**	**201,270**	**-**	**-**	**-**	**-**
2017							
Trade and other payables	234,771	234,771	234,771	-	-	-	-
	234,771	234,771	234,771	-	-	-	-

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			
	2018		2017	
	Carrying amount $	**Fair value $**	Carrying amount $	Fair value $
Cash and cash equivalents	**2,895,471**	**2,895,471**	237,350	237,350
Trade other receivables	**21,897**	**21,897**	-	-
Loans receivable	**-**	**-**	277,352	277,352
Trade and other payables	**(201,270)**	**(201,270)**	(24,771)	(24,771)
	2,716,098	**2,716,098**	489,931	489,931

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

Note 20 Acquisitions

a) Acquisition of Afranex Gold Limited

On 3 July 2017 the Company acquired 100% of the issued capital of Afranex Gold Limited (Afranex), a company which, through its wholly owned subsidiaries, owns the mineral claims of Kisa, Quicksilver and Luna which comprise the Alaskan Project.

Consideration
The Company issued 10,000,000 Shares and 5,000,000 options as equity based consideration for the share capital of Afranex. The shares were valued at $0.10 per share (this being the value per share for seed raising in July) and the options were valued in accordance with the Black-Scholes option pricing methodology.

Fair Value of Consideration		**Fair Value ($)**
Shares	10,000,000 shares at $0.10 per share	1,000,000
Options	5,000,000 options with exercise price of $0.20 and an expiry date of 10 October 2020 [1]	257,400
Total consideration		**1,257,400**

1. Inputs to the Black-Scholes pricing model are: share price of $0.10, exercise price of $0.20; expected volatility of 100%; implied option life of 3 years; risk free rate of 2.10% and a nil expected dividend yield.

Costs incurred in relation to the acquisition of Afranex Gold Limited have been included in the Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income.
Directly attributable costs of raising equity have been included as a deduction from equity.

Assets acquired and liabilities assumed at the date of acquisition

	Fair Value $
Assets	
Cash and cash equivalents	**14,126**
Exploration and evaluation expenditure	**1,902,129**
Total assets acquired	**1,916,255**
Liabilities	
Trade and other payables	**78,794**
Loans	**580,061**
Total liabilities assumed	**658,855**
Total identifiable net assets at fair value	**1,257,400**

Note 20 Acquisitions (continued)

a) Acquisition of Afranex Gold Limited (continued)

Deferred Tax Liability
On acquisition of Afranex and its subsidiaries, a taxable temporary difference arose on the exploration expenditure of $1,902,129. The temporary difference is due to the disparity between the accounting carrying value of the exploration asset versus its tax value. A Deferred Tax Liability (DTL) of $503,236 was recognised at the Group level at 31 December 2017. In January 2018, Black Peak LLC, a wholly owned subsidiary of the Afranex group was dissolved and a reduction in the DTL was recognised on deconsolidation of Black Peak LLC. The DTL at 30 June 2018 is calculated as follows:

	$
Temporary difference relating to exploration	**1,902,129**
Tax at 30%	**570,639**
Less tax losses available to subsidiaries	**(67,403)**
Deferred tax liability on acquisition at 31 Dec 2017	**503,236**
Reduction on deconsolidation of Black Peak LLC	**(15,799)**
Deferred tax liability on acquisition at 30 June 2018	**487,437**

Impact of acquisition on the results of the Group

As the combination occurred at the beginning of the reporting period, there is no further impact on the profit of the Group nor on revenue from continuing operations.

b) Acquisition of Cambodia Gold Pty Ltd

On 26 September 2017, the Company acquired 100% of the issued capital of Cambodia Gold Pty Ltd (Cambodia Gold), a company which has applications for mineral exploration licences in the Mondulkiri Province of Cambodia.

Consideration
The Company issued 23,500,000 Shares and 11,750,000 options as equity based consideration for the share capital of Cambodia Gold. The shares were valued at the Initial Public Offer (IPO) price of $0.20 per share and the options were valued in accordance with the Black-Scholes option pricing methodology.

Fair Value of Consideration		**Fair Value ($)**
Shares	23,500,000 shares at $0.20 per share	4,700,000
Options	11,750,000 options with exercise price of $0.20 and an expiry date of 10 October 2020 [1]	1,470,742
Total consideration		**6,170,742**

1. Inputs to the Black-Scholes pricing model are: share and exercise price of $0.20; expected volatility of 100%; implied option life of 3 years; risk free rate of 2.10% and a nil expected dividend yield.

Note 20 Acquisitions (continued)

b) Acquisition of Cambodia Gold Pty Ltd (continued)

Costs incurred in relation to the acquisition of Cambodia Gold Pty Ltd have been included in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.
Directly attributable costs of raising equity have been included as a deduction from equity.

Assets acquired and liabilities assumed at the date of acquisition

	Fair Value $
Assets	
Cash and cash equivalents	**10**
Exploration and evaluation expenditure 1	**6,179,732**
Total assets acquired	**6,179,742**
Liabilities	
Trade and other payables	**9,000**
Total liabilities assumed	**9,000**
Total identifiable net assets at fair value	**6,170,742**

1 On acquisition the Company acquired applications for mineral exploration licences which were valued at $6,179,732. Accounting standard *AASB 6 Exploration for and Evaluation of Mineral Resources* states that exploration expenditure can only be capitalised where the rights to tenure of the area of interest are current. As the exploration licences for the Cambodian tenements have not yet been granted, the $6,179,732 has been expensed.

Impact of acquisition on the results of the Group

If the combination had taken place at the beginning of the year, there would have been no impact on the profit of the Group nor on revenue from continuing operations.

c) Acquisition of 80% Interest in the Kurnalpi Project

On 26 September 2017, the Company acquired 80% interest in the Kurnalpi Project in Western Australia from Serendipity Resources Pty Ltd (Serendipity).

Consideration
The Company issued 3,000,000 Shares at the Initial Public Offer (IPO) price of $0.20 per share, 2,000,000 options and cash as consideration. The options were valued in accordance with the Black-Scholes option pricing methodology.

Note 20 Acquisitions (continued)

c) Acquisition of 80% Interest in the Kurnalpi Project (continued)

Fair Value of Consideration		**Fair Value ($)**
Cash		100,000
Shares	3,000,000 shares at $0.20 per share	600,000
Options	2,000,000 options with exercise price of $0.20 and an expiry date of 10 October 2020 [1]	250,339
Total consideration		**950,339**
Other costs of acquisition capitalised (fees and stamp duty)		75,140
Total acquisition costs capitalised		**1,025,479**

1 Inputs to the Black-Scholes pricing model are: share and exercise price of $0.20; expected volatility of 100%; implied option life of 3 years; risk free rate of 2.10% and a nil expected dividend yield.

d) Acquisition of 100% Interest in the Churchill Dam Project

On 26 September 2017, the Company acquired 100% interest in the Churchill Dam Project in South Australia from Debnal Pty Ltd (Debnal) through the issue of 500,000 Shares at the Initial Public Offer (IPO) price of $0.20 per share.

e) Acquisition of Cutler Gold Prospect

In February 2018 the Company purchased a 100% interest in the Cutler gold prospect which is adjacent to the existing Farr-Jones target located in the Eastern Goldfields of Western Australia. The Company paid $40,700 cash and issued 450,000 fully paid ordinary shares and 450,000 unlisted options with an exercise price of $0.20 and an expiry date 24 months after the issue, to private company Westex Resources Pty Ltd.

Note 21 Dividends

No dividends were paid or proposed during the financial year ended 30 June 2018.

The Company has no franking credits available as at 30 June 2018.

Note 22 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 year, having responsibility for planning, directing and controlling the activities of the Company, either directly or indirectly.

Note 22 Key management personnel disclosures (continued)

(b) *Key management personnel compensation*

A summary of total compensation paid to key management personnel during the year is as follows:

	2018 $	2017 $
Total short-term employment benefits	**275,119**	**26,000**
Total share-based payments[1]	**38,277**	**6,875**
Total post-employment benefits	**18,624**	**-**
	332,020	**32,875**

[1] The fair value of options issued to Directors as remuneration is included in the financial statements over the periods that they vest. (2017: Fair value of shares issued to Directors of the Company for pre-IPO services provided).

Note 23 Remuneration of auditors

Audit and review of the Company's financial statements	**30,000**	3,000
Total	**30,000**	3,000

Note 24 Contingencies

(i) *Contingent liabilities*

There were no material contingent liabilities not provided for in the financial statements of the Group as at 30 June 2018 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 2018.

Note 25 Commitments

(a) *Exploration*

The Group has certain obligations to perform minimum exploration work on mineral leases held. These obligations may be varied as a result of renegotiations of the terms of the exploration licences or their relinquishment. The minimum exploration obligations are less than the normal level of exploration expected to be undertaken by the Group.

As at balance date, total exploration expenditure commitments on tenements held by the Group have not been provided for in the financial statements. Commitments for the following twelve month period amount to approximately $1,302,000 (2017: $Nil).

(b) *Operating Lease Commitments*

	2018 $	2017 $
Due within 1 year	**33,746**	-
Due after 1 year but not more than 5 years	**11,249**	-
	44,995	-

On 1 October 2017, the Company entered into a 2 year lease on its office at Suite 8, 125 Melville Parade Como. The material terms of the lease are as follows:

(i) Rent (excluding outgoings) is set at $200 per square metre per annum, with a 3% increase on each anniversary of the commencement date.
(ii) The lease is secured by an amount of $7,073 being held in term deposit.

(c) *Contractual Commitment*

There are no material contractual commitments as at 30 June 2017 and 30 June 2018 not otherwise disclosed in the Financial Statements.

Note 26 Related party transactions

a) Subsidiaries

Subsidiary Company	**Country of Incorporation**	**Parent**	**Ownership Interest**	
			30 June 2018	30 June 2017
Riversgold (Australia) Pty Ltd	Australia	Riversgold Ltd	**100%**	100%
Cambodia Gold Pty Ltd	Australia	Riversgold Ltd	**100%**	-
Afranex Gold Pty Ltd [1]	Australia	Riversgold Ltd	**100%**	-
Afranex (Alaska) Limited	USA	Afranex Gold Pty Ltd	**100%**	-
Black Peak LLC [2]	USA	Afranex Gold Pty Ltd	**-**	-
North Fork Resources Pty Ltd	Australia	Afranex Gold Pty Ltd	**100%**	-
North Fork LLC [2]	USA	Afranex Gold Pty Ltd	**-**	-

[1] In December 2017, Afranex Gold Limited converted to a proprietary company.
[2] Black Peak LLC and North Fork LLC, wholly owned subsidiaries of Afranex Gold Pty Ltd, were dissolved in January 2018.

Note 26 Related party transactions (continued)

b) The ultimate controlling party of the group is Riversgold Ltd.

c) Loans to controlled entities

The following amounts are payable to the parent company, Riversgold Ltd, at the reporting date. These amounts are eliminated on consolidation.

	30 June 2018 $	30 June 2017 $
Riversgold (Australia) Pty Ltd	**2,450,887**	-
Afranex Gold Pty Ltd	**1,074,328**	-
Cambodia Gold Pty Ltd	**281,641**	-

d) Transactions with Directors

Transactions with Directors, as directors of the Company, during the year are disclosed at Note 22 – 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:

- 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.

In addition, Mr Kelly was paid $5,001 as repayment of a loan previously made by Mr Kelly to the Afranex Group. This loan was assumed by the Company on acquisition of Afranex Gold Pty Ltd.

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

Note 27 Events occurring after the balance sheet date

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.

	Consolidated	
	2018	2017
	$	$

Note 28 Reconciliation of loss after tax to net cash inflow from operating activities

Loss from ordinary activities after income tax	**(7,387,689)**	(66,931)
Adjustment for non-cash items:		
Write off of Cambodian acquisition costs	**6,397,398**	-
Exploration expensed	**15,811**	600
Share-based payments expense	**38,277**	6,875
Depreciation	**17,356**	-
Loss on deconsolidation	**169,969**	-
Movement in assets and liabilities:		
(Increase)/decrease in receivables	**(11,543)**	(1,413)
Increase/(decrease) in payables	**(39,957)**	3,989
Increase/(decrease) in employee leave liabilities	**13,986**	-
Net cash outflow from operating activities	**(786,392)**	(56,880)

Note 29 Earnings per share

	Consolidated	
	2018	2017
a) Basic earnings per share	**Cents**	Cents
Loss attributable to ordinary equity holders of the Company	**(10.7)**	(2.1)
b) Diluted earnings per share		
Loss attributable to ordinary equity holders of the Company	**(10.7)**	(2.1)
c) Loss used in calculation of basic and diluted loss per share	**$**	$
Consolidated loss after tax from continuing operations	**(7,387,689)**	(66,931)
d) Weighted average number of shares used as the denominator	**No.**	No.
Weighted average number of shares used as the denominator in calculating basic and dilutive loss per share	**68,869,781**	3,145,447

At 30 June 2018 the Company has on issue 22,200,000 unlisted options over ordinary shares that are not considered to be dilutive.

Note 30 Parent entity information

	Company	
	2018	2017
	$	$
Financial position		
Assets		
Current assets	**2,906,631**	397,363
Non-current assets	**4,714,856**	277,362
Total Assets	**7,621,487**	674,725
Liabilities		
Current liabilities	**142,990**	234,771
Non-current liabilities	**-**	-
Total Liabilities	**142,990**	234,771
NET ASSETS	**7,478,497**	439,954
Equity		
Issued Capital	**12,845,783**	506,885
Reserves	**2,074,505**	-
Accumulated losses	**(7,441,791)**	(66,931)
TOTAL EQUITY	**7,478,497**	439,954
Financial performance		
Loss for the period	**7,374,860**	66,931
Other comprehensive income	**-**	-
Total comprehensive loss	**7,374,860**	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 24.

Commitments

For full details of commitments see Note 25.

Directors' Declaration

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

(a) the accompanying financial statements and notes are in accordance with the Corporations Act 2001, including:

   (i) complying with Accounting Standards and the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
   (ii) give a true and fair view of the financial position as at 30 June 2018 and of the performance for the period ended on that date of the Group.

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

(c) the financial statements comply with International Financial Reporting Standards as set out in Note 1.

The Directors have been given the declarations required by Section 295A of the Corporations Act 2001 from the Chief Executive Officer and Chief Financial Officer for the financial year ended 30 June 2018.

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

Signed at Perth this 27th day of September 2018.

Allan Kelly
Managing Director

HLB Mann Judd

Accountants | Business and Financial Advisers

Independent Auditor's Report
To the Members of Riversgold Limited

REPORT ON THE AUDIT OF THE FINANCIAL REPORT

Opinion

We have audited the financial report of Riversgold Limited ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2018, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

a) giving a true and fair view of the Group's financial position as at 30 June 2018 and of its financial performance for the year then ended; and

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

Basis for Opinion

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

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

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

Material Uncertainty Regarding Going Concern

We draw attention to Note 1(a) in the financial report, which indicates the existence of a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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

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Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our report**.**

Key Audit Matter	How our audit addressed the key audit matter
Carrying amount of exploration and evaluation expenditure Note 11 of the financial statements	
The carrying amount of exploration and evaluation expenditure as at 30 June 2018 was $4.668 million. In accordance with AASB 6 *Exploration for and Evaluation of Mineral Resources*, the Group capitalises all exploration and evaluation expenditure, including acquisition costs and subsequently applies the cost model after recognition. Our audit focussed on the Group's assessment of the carrying amount of the capitalised exploration and evaluation asset, as this is one of the most significant assets of the Group.	Our procedures included but were not limited to the following: • Obtained an understanding of the key processes associated with management's review of the carrying values of each area of interest; • Considered the Directors' assessment of potential indicators of impairment; • Obtained evidence that the Group has current rights to tenure of its areas of interest; • Examined the exploration budget for the year ending 30 June 2019 and discussed with management the nature of planned ongoing activities; • Enquired with management, reviewed ASX announcements and reviewed minutes of Directors' meetings to ensure that the Group had not resolved to discontinue exploration and evaluation at any of its areas of interest; • Substantiated a sample of expenditure by agreeing to supporting documentation; and • Examined the disclosures made in the financial report.
Acquisition of Assets Note 20 of the financial statements	
During the year the Group acquired several exploration projects with consideration a combination of cash and share-based payments. Accounting for these types of transactions is complex and judgemental exercise, requiring management to determine the fair value of the consideration and where applicable, net assets acquired.	Our audit procedures included but were not limited to: • Reading the sale agreements to understand the key terms and conditions; • Assessing the principles applied in the acquisition accounting; • Considering whether the transaction was a business combination by examining if the acquired entities met the definition of

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Key Audit Matter	How our audit addressed the key audit matter
It is due to size, complexity and judgement involved that this is considered a key audit matter.	a business as defined in AASB 3 *Business Combinations*; • Tested the value of any equity consideration with reference to AASB 2 *Share-based Payment*; • Assess the value of assets and liabilities, considering any tax effects; and • Assessing the disclosures included in the relevant notes to the financial report in relation to the acquisitions.

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 Consolidated Financial Statements for the year ended 30 June 2018, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

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

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

HLB Mann Judd

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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 2018.

In our opinion, the Remuneration Report of Riversgold Limited for the year ended 30 June 2018 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

D I Buckley
Partner

Perth, Western Australia
27 September 2018