



Riversgold Ltd

NOTICE OF ANNUAL GENERAL MEETING

&

EXPLANATORY STATEMENT

To be held

At 2.00pm (WST), Friday, 30 November 2018

at

The Offices of HLB Mann Judd, Level 4, 130 Stirling Street,
Perth, Western Australia

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22nd October 2018

Dear Fellow Riversgold Shareholder,

Please find enclosed the Notice of Annual General Meeting of Riversgold Limited to be held at Level 4, 130 Stirling Street, Perth, Western Australia at 2.00pm (WST) on Friday, 30 November 2018.

The purpose of the meeting is to conduct the annual business of the Company, being consideration of the annual financial statements, the remuneration report and in addition seek shareholder approval in accordance with the Corporations Act 2001 and the Listing Rules of the ASX to a number of resolutions, which are set out in the attached Notice of Meeting paper.

Your Directors seek your support and look forward to your attendance at the meeting.

Yours sincerely



Rod Webster
Chairman

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of Riversgold Limited will be convened at Level 4, 130 Stirling Street, Perth, Western Australia at 2.00pm (WST) on Friday, 30 November 2018.

AGENDA

1. DISCUSSION OF FINANCIAL STATEMENTS AND REPORTS

To discuss the Financial Report, the Directors' Report and Auditor's Report for the period ended 30 June 2018.

2. RESOLUTION 1 - ADOPTION OF THE REMUNERATION REPORT

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"That, for the purpose of Section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the remuneration report as contained in the Company's annual financial report for the financial year ended 30 June 2018."

Voting Prohibition Statement

A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, a person (the voter) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- (b) the voter is the Chair and the appointment of the Chair as proxy:
 - (i) does not specify the way the proxy is to vote on this Resolution; and
 - (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

3. RESOLUTION 2 - RE-ELECTION OF DIRECTOR – MR ROD WEBSTER

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, Mr Rod Webster who retires in accordance with the Company's Constitution and being eligible, offers himself for re-election, be re-elected as a Director."

4. RESOLUTION 3 - APPROVAL OF ADDITIONAL 10% PLACEMENT CAPACITY

To consider and, if thought fit, to approve the following resolution, with or without amendment, as a **special resolution**:

"That, for the purpose of Listing Rule 7.1A and all other purposes, the Company approves the allotment and issue of Equity Securities up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with in Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion Statement

The Company will disregard any votes cast in favour of this resolution by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the entity).

However, votes cast by a person as proxy for a person who is entitled to vote (in accordance with the directions on the proxy form) or the person chairing the meeting as proxy for a person who is entitled to vote (in accordance with a direction on the proxy form to vote as the proxy decides) will be taken into account.

NOTICE OF ANNUAL GENERAL MEETING

5. RESOLUTION 4 – RATIFICATION OF PRIOR ISSUE OF EQUITY SECURITIES

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 900,000 equity securities, being 450,000 Shares and 450,000 Unlisted Options, on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement

The Company will disregard any votes cast in favour of this resolution by or on behalf of Westex Resources Pty Ltd and any associates of Westex Resources Pty Ltd.

However, votes cast by a person as proxy for a person who is entitled to vote (in accordance with the directions on the proxy form) or the person chairing the meeting as proxy for a person who is entitled to vote (in accordance with a direction on the proxy form to vote as the proxy decides) will be taken into account.

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RIVERSGOLD LIMITED

ABN 64 617 614 598

NOTICE OF ANNUAL GENERAL MEETING

OTHER BUSINESS

To deal with any other business which may be brought forward in accordance with the Constitution and the Corporations Act.

Details of the definitions and abbreviations used in this Notice are set out in the Glossary to the Explanatory Statement.

GENERAL NOTES

1. With respect to Resolution 1, the vote on this item is advisory only and does not bind the Directors of the Company. However, the Board will take the outcome of the vote into consideration when reviewing the remuneration practices and policies of the Company.
2. **Voting by Proxy:** Sections 250BB and 250BC of the Corporations Act came into effect on 1 July 2011 and apply to voting by proxy on or after that date. Shareholders and their proxies should be aware of these changes to the Corporations Act, as they will apply to this Annual General Meeting. Broadly, the changes mean that:
 - if proxy holders vote, they must cast all directed proxies as directed; and
 - if a poll is demanded for a particular resolution, any directed proxies which are not voted (where the appointed proxy is not the chair of the meeting) will automatically default to the Chair, who must vote the proxies as directed.

Proxy vote if appointment specifies way to vote

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, **if it does:**

the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed); and

- if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands; and
- if the proxy is the chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- if the proxy is not the chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

Transfer of non-chair proxy to chair in certain circumstances

Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- the appointed proxy is not the chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
 - the proxy is not recorded as attending the meeting;
 - the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

3. The Explanatory Statement to Shareholders attached to this Notice of Annual General Meeting is hereby incorporated into and forms part of this Notice of General Meeting.
4. The Directors have determined in accordance with Regulation 7.11.37 of the Corporations Regulations that, for the purposes of voting at the meeting, shares will be taken to be held by the registered holders at 2.00pm (WST) on 28 November 2018.

BY ORDER OF THE BOARD



Kevin R Hart
COMPANY SECRETARY

Dated this 22nd day of October 2018

EXPLANATORY STATEMENT

The purpose of the Explanatory Statement is to provide shareholders with information concerning all of the Agenda Items in the Notice of Annual General Meeting.

Certain abbreviations and other defined terms are used throughout this Explanatory Statement. Defined terms are generally identifiable by the use of an upper case first letter. Details of the definitions and abbreviations are set out in the Glossary to the Explanatory Statement.

1. DISCUSSION OF FINANCIAL STATEMENTS & REPORTS

The Company's financial reports for the financial period ended 30 June 2018, together with the Directors' reports and the auditor's report are placed before the Annual General Meeting thereby giving shareholders the opportunity to discuss those documents and to ask questions. The auditor will be attending the Annual General Meeting and will be available to answer any questions relevant to:

- the conduct of the audit;
- the preparation and content of the independent audit report;
- the accounting policies adopted by the Company in relation to the preparation of accounts; and
- the independence of the auditor in relation to the conduct of the audit.

Shareholders should consider these documents and raise any matters of interest with the Directors when this item is being considered.

2. RESOLUTION 1 - ADOPTION OF REMUNERATION REPORT

Section 250R(2) of the Corporations Act requires the Company to present to its Shareholders the Remuneration Report, as disclosed in the Company's Annual Report.

The Resolution is advisory only and does not bind the Directors or the Company. The Annual Report (together with the Remuneration Report) is available on the Company's website (www.riversgold.com.au).

Under the Corporations Act, if at least 25% of the votes cast on Resolution 1 are voted against adoption of the Remuneration Report at the Annual General Meeting, and then again at the Company's next Annual General Meeting, the Company will be required to put to Shareholders a resolution proposing the calling of a general meeting to consider the appointment of directors of the Company (**Spill Resolution**).

If more than 50% of Shareholders vote in favour of the Spill Resolution, the Company must convene the general meeting (**Spill Meeting**) within 90 days of the Company's Annual General Meeting. All of the Directors who were in office when the Company's Directors' report was approved, other than the Managing Director of the Company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting. Following the Spill Meeting those persons whose election or re-election as Directors is approved will be the Directors of the Company.

The proportion of votes cast against the adoption of the 2017 Remuneration Report was less than 25% of the total votes cast. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

The Remuneration Report explains the Board policies in relation to the nature and level of remuneration paid to the Directors and sets out the Company's remuneration arrangements for each of the Directors and senior management of the Company for the financial period ended 30 June 2018. The Remuneration Report is part of the Directors' report contained in the annual financial report of the Company for the financial period ending 30 June 2018.

A reasonable opportunity will be provided for discussion of the remuneration report at the Annual General Meeting.

The Board considers that its current practices of setting executive and non-executive remuneration are within normal industry expectations, and provides an effective balance between the need to attract and retain the services of the highly skilled key management personnel that the Company requires.

As such the directors recommend that shareholders vote in favour of Resolution 1.

EXPLANATORY STATEMENT

2. RESOLUTION 1 - ADOPTION OF REMUNERATION REPORT (Continued)

Voting

Note that a voting exclusion applies to Resolution 1 in the terms set out in the Notice of Meeting. In particular, the Directors and other Restricted Voters may not vote on this Resolution and may not cast a vote as proxy, unless the appointment gives a direction on how to vote or the proxy is given to the Chair and expressly authorises the Chair to exercise your proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

By appointing the Chair as proxy, and not providing voting directions, you are considered to have expressly authorised the Chair to exercise your proxy, even though the resolution may be connected directly or indirectly with the remuneration of a member of the Key Management Personnel. The Chair will use any such proxies to vote in favour of the Resolution.

Shareholders are urged to carefully read the proxy form and provide a direction to the proxy on how to vote on this Resolution.

3. RESOLUTION 2 - RE-ELECTION OF DIRECTOR – MR ROD WEBSTER (FAusIMM FAICD)
as an Ordinary Resolution

Experience

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.

Term of Office

Mr Webster was appointed as Director of Company on 24 April 2017.

Independence

The Board of Riversgold Limited considers Mr Webster to be an Independent Director.

Special Responsibilities

Mr Webster is the Chairman of the Board. At this time the Company does not have separate committees and as such Mr Webster does not have any other specific special responsibilities.

Directors' Recommendation

The Board (excluding Mr Webster) supports the proposed re-election and recommends that Shareholders vote in favour of the re-election of Mr Rod Webster as a Director.

RIVERSGOLD LIMITED

ABN 64 617 614 598

EXPLANATORY STATEMENT

4. RESOLUTION 3 - APPROVAL OF ADDITIONAL 10% PLACEMENT CAPACITY

as a Special Resolution

Listing Rule 7.1A enables eligible entities to issue Equity Securities up to 10% of its issued share capital over a 12 month period after the Annual General Meeting at which a resolution for the purposes of Listing Rule 7.1A is passed by special resolution (**Additional 10% Placement Capacity**). The Additional 10% Placement Capacity is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

An entity will be eligible to seek approval under Listing Rule 7.1A if: (a) the entity has a market capitalisation of \$300 million or less; and (b) the entity that is not included in the S&P ASX 300 Index. The Company's market capitalisation as at 12 October 2018 was approximately \$7.07m and therefore the Board considers that it is an eligible entity for the purposes of Listing Rule 7.1A.

The number of Equity Securities to be issued under the Additional 10% Placement Capacity will be determined in accordance with the formula set out in Listing Rule 7.1A.2.

$$(A \times B) - E$$

Where,

A = Has the same meaning as in Listing Rule 7.1

B = 10%

E = The number of equity securities issued or agreed to be issued under Listing Rule 7.1A2 in the 12 months before the issue date or date of agreement to issue that are not issued with the approval of holders of ordinary securities under Listing Rule 7.1 or 7.4.

The Company is putting Resolution 3 to Shareholders to seek approval to issue additional Equity Securities under the Additional 10% Placement Capacity.

This Resolution does not mean that the Company will necessarily utilise the 10% Additional Placement Capacity. Rather, capital markets have recently been in a state of fluctuation and the Directors acknowledge that they may need to act quickly to raise funds when favourable markets emerge. The Company's failure to raise capital, if and when needed, could delay or suspend the Company's business strategy and could have a material adverse effect on the Company's activities. Under these circumstances, the Additional 10% Placement Capacity will provide flexibility for the Company to issue additional securities, in the event that the Directors determine that the issue of the additional securities is in the interests of the Shareholders and the Company in achieving its objectives.

Listing Rule 7.1A

The effect of Resolution 3 will be to permit the Company to issue the Equity Securities under Listing Rule 7.1A during the Additional Placement Period (as defined below) without using the Company's 15% placement capacity under Listing Rule 7.1.

Equity Securities issued under the Additional 10% Placement Capacity must be in the same class as an existing quoted class of Equity Securities of the Company. As at the date of this Notice the Company has quoted securities in the form of Shares on issue.

As at the date of this Notice, the Company has 83,214,935 Shares on issue and therefore, subject to Shareholder approval being sought under Resolution 3, up to 8,321,494 Equity Securities will be permitted to be issued in accordance with Listing Rule 7.1A. Shareholders should note that the calculation of the number of Equity Securities permitted to be issued under the Additional 10% Placement Capacity is a moving calculation and will be based on the formula set out in Listing Rule 7.1A at the time of issue of the Equity Securities. The table on the page below demonstrates various examples as to the number of Equity Securities that may be issued under the Additional 10% Placement Capacity.

Resolution 3 is a special resolution, requiring approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative) in order to be passed.

EXPLANATORY STATEMENT

4. RESOLUTION 3 - APPROVAL OF ADDITIONAL 10% PLACEMENT CAPACITY (Continued)

Specific information required by Listing Rule 7.3A

The following information in relation to the Shares to be issued is provided to Shareholders for the purposes of Listing Rule 7.3A:

- (a) The Equity Securities will be issued at an issue price of not less than 75% of the volume weighted average price for the Company's Equity Securities in the same class calculated over the 15 Trading Days on which trades in that class were recorded immediately before:
 - (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
 - (ii) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.
- (b) If Resolution 3 is approved by Shareholders and the Company issues Equity Securities under the Additional 10% Placement Capacity, the existing Shareholders' economic and voting interests in the Company will be diluted. There is also a risk that:
 - (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Meeting; and
 - (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date of the Equity Securities.

The table below shows the dilution of existing Shareholders of the issue of the maximum number of Equity Securities under the Additional 10% Placement Capacity using different variables for the number of ordinary securities for variable "A" (as defined in Listing Rule 7.1A) and the market price of Shares. It is noted that variable "A" is based on the number of ordinary securities the Company has on issue at the time of the proposed issue of Equity Securities.

The table shows:

- (i) examples of where variable "A" is at its current level, and where variable "A" has increased by 50% and by 100%;
- (ii) examples of where the issue price of ordinary securities is the current market price as at close of trade on 12 October 2018 (current market price), where the issue price is halved, and where it is doubled; and
- (iii) the dilutionary effect will always be 10% if the maximum number of Equity Securities that may be issued under the Additional 10% Placement Capacity are issued.

EXPLANATORY STATEMENT

4. RESOLUTION 3 - APPROVAL OF ADDITIONAL 10% PLACEMENT CAPACITY (Continued)

Variable 'A'	Number of Shares issued and funds raised under the Additional 10% Placement Capacity and dilution effect	Dilution		
		\$0.043 Issue Price at half the current market price	\$0.085 Issue Price at current market price	\$0.170 Issue Price at double the current market price
Current Variable A 83,214,935 Shares	Shares issued	8,321,494	8,321,494	8,321,494
	Funds raised	\$357,824	\$707,327	\$1,414,654
	Dilution	10%	10%	10%
50% increase in current Variable A 124,822,403 Shares	Shares issued	12,482,240	12,482,240	12,482,240
	Funds raised	\$536,736	\$1,060,990	\$2,121,981
	Dilution	10%	10%	10%
100% increase in current variable A 166,429,870 Shares	Shares issued	16,642,987	16,642,987	16,642,987
	Funds raised	\$715,648	\$1,414,654	\$2,829,308
	Dilution	10%	10%	10%

Note: this table assumes:

- (i) No Options are exercised before the date of the issue of the Equity Securities;
 - (ii) The Company issues the maximum number of Equity Securities under the Additional 10% Placement Capacity and the Equity Securities issues consists only of Shares;
 - (iii) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholders holding at the date of the Annual General Meeting;
 - (iv) The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
- (c) Approval of the Additional 10% Placement Capacity will be valid from the date of the Annual General Meeting and will expire on the earlier of:
- (i) the date that is 12 months after the date of the Annual General Meeting; and
 - (ii) the date of the approval by Shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),
(Additional Placement Period).
- (d) The Company may seek to issue the Equity Securities for the following purposes:
- (i) cash consideration. If Equity Securities are issued for cash consideration, the Company intends to use the funds to advance its exploration programs and general working capital purposes; or
 - (ii) non-cash consideration for the acquisition of new assets or any other consideration other than cash. If Equity Securities are issued for non-cash consideration, the Company will comply with the minimum issue price limitation under Listing Rule 7.1A.3 in relation to such issue and will release the valuation of the non-cash consideration to the market.

The Company will comply with the disclosure obligations under Listing Rules 7.1A.4 and 3.10.5A upon issue of any Equity Securities.

EXPLANATORY STATEMENT

4. RESOLUTION 3 - APPROVAL OF ADDITIONAL 10% PLACEMENT CAPACITY (Continued)

(e) The Company's allocation policy for the issue of Equity Securities under the Additional 10% Placement Capacity will be dependent on the prevailing market conditions at the time of the proposed placement(s). Securities allotted pursuant to the allocation policy will be determined following consideration of a number of factors including, but not limited to, the following matters:

- (i) the ability of the Company to raise funds at the time of the proposed issue of Equity Securities;
- (ii) the dilutionary effect of the proposed of the issue of the Equity Securities on existing Shareholders at the time of proposed issued of Equity Securities;
- (iii) the financial situation and solvency of the Company; and
- (iv) advice from its professional advisers, including corporate, financial and broking advisers (if applicable).

At the date of this Notice, the Company has not formed an intention as to whether the securities will be offered to existing security holders, or to any class or group of existing security holders, or whether the securities will be offered exclusively to new investors that have not previously been security holders of the Company. The Company will give consideration before making any placement of securities under Listing Rule 7.1A whether the raising of any funds under such placement could be carried out in whole, or in part, by an entitlement offer to existing security holders.

The allottees under the Additional 10% Placement Capacity have not been determined as at the date of this Notice but will not include related parties (or their associates) of the Company.

(f) The Company previously obtained approval from its Shareholders pursuant to ASX Listing Rule 7.1A at its Annual General Meeting held on 24 November 2017 (Previous Approval).

The Company has not issued any Equity Securities pursuant to the Previous Approval.

During the 12 month period preceding the date of the Meeting, being on and from 25 November 2017, the Company has issued a total of:

- (i) 450,000 Shares
- (ii) 450,000 Unlisted Options

which represents approximately 1.1% of the total diluted number of Equity Securities on issue in the Company on 24th November 2017, being 82,764,935.

Information relating to issues of Equity Securities by the Company since 25 November 2017 is as follows:

Date of Appendix 3B	Quantity	Class	Recipients	Issue price and discount to Market Price ¹ (if applicable)	Form of Consideration
19.03.2018	450,000	Ordinary fully paid shares (Note 2)	Westex Resources Pty Ltd		Non-cash Consideration pursuant to a Tenement Sale and Purchase Agreement in respect of the acquisition of the Cutler prospect. Current value ³ : \$38,250
19.03.2018	450,000	Unlisted options ⁴	Westex Resources Pty Ltd	Option exercisable at \$0.20 and expiring on 19 March 2020. Issued at a premium of 33.3% to share price as traded on the ASX on 16 th March, being \$0.15.	Non-cash Consideration pursuant to a Tenement Sale and Purchase Agreement in respect of the acquisition of the Cutler prospect. Current value ³ : \$6,610

EXPLANATORY STATEMENT

4. RESOLUTION 3 - APPROVAL OF ADDITIONAL 10% PLACEMENT CAPACITY (Continued)

Notes:

1. Market Price means the closing price on ASX (excluding special crossings, overnight sales and exchange traded option exercises). For the purposes of this table this discount is calculated on the Market Price on the last trading day on which a sale was recorded prior to the date of issue of the relevant Equity Securities.
 2. Fully paid ordinary shares in the capital of the Company, ASX Code: RGL (terms are set out in the Constitution).
 3. In respect of quoted Equity Securities the value is based on the closing price of the Shares (\$0.085) as the context requires on the ASX on 12 October 2018. In respect of unquoted Equity Securities the value of Options is measured using the Black & Scholes option pricing model. Measurement inputs include the Share price on the measurement date (being 12 October 2018), the exercise price, the term of the Option, the expected volatility of the underlying Share (based on weighted average historic volatility adjusted for changes expected due to publicly available information), the expected dividend yield and the risk free interest rate for the term of the Option. No account is taken of any performance conditions included in the terms of the Option other than market based performance conditions (i.e. conditions linked to the price of Shares).
 4. The full terms and conditions of options are set out in Schedule 1.
- (g) A voting exclusion statement is included in the Notice. At the date of the Notice, the Company has not determined its allocation policy for the issue of Equity Securities under the Additional 10% Placement Capacity. The Company has not approached, and has not yet determined to approach, any particular existing security holders or an identifiable class of existing security holders to participate in an offer under the Additional 10% Placement Capacity, and therefore no Shareholder will be excluded from voting on Resolution 3.

Directors Recommendation

The Board recommends Shareholders vote in favour of Resolution 3.

5. RESOLUTION 4 – RATIFICATION OF PRIOR ISSUE OF EQUITY SECURITIES
as an Ordinary Resolution

On 19 April 2018, the Company issued 450,000 Shares and 450,000 Unlisted Options (together “Equity Securities”) under a Tenement Sale and Purchase Agreement between Riversgold Limited, Riversgold (Australia) Pty Ltd, John Stephen Bladon Millward and Westex Resources Pty Ltd (“Westex”). The options were issued in accordance with the terms and conditions set out in Schedule 1. The equity securities were issued to Westex as part consideration to purchase 100% right title and interest in E25/550.

Resolution 4 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of the equity securities.

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

RIVERSGOLD LIMITED

ABN 64 617 614 598

EXPLANATORY STATEMENT

6. RESOLUTION 4 – RATIFICATION OF PRIOR ISSUE OF EQUITY SECURITIES (continued)

Specific information required by Listing Rule 7.5

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Ratification:

- (a) 450,000 Shares and 450,000 Unlisted Options, totalling 900,000 Equity Securities, were issued;
- (b) the Equity Securities were issued for nil cash consideration pursuant to the terms of the Tenement Sale and Purchase Agreement. (The Equity Securities were valued at \$83,231 in the 30 June 2018 financial statements);
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Options have an exercise price of 20 cents and expire on 19th March 2020 (refer Schedule 1 for Option terms and conditions); and
- (e) the Equity Securities were issued to Westex Resources Pty Ltd. Westex is not a related party of the Company.

Directors Recommendation

The Board recommends Shareholders vote in favour of Resolution 4.

EXPLANATORY STATEMENT

GLOSSARY

Annual General Meeting means the annual general meeting of the Company.

Accounting Standards has the meaning given to that term in the Corporations Act.

Additional 10% Placement Capacity has the meaning set out in Section 4 of the Explanatory Statement.

Additional Placement Period has the meaning set out in Section 4(c) of the Explanatory Statement.

Annual General Meeting or **Meeting** means the annual general meeting the subject of the Notice.

Annual Report means the annual report of the Company for the year ended 30 June 2018.

ASX means ASX Limited ABN 98 008 624 691 and, where the context permits, the Australian Securities Exchange operated by ASX Limited.

Board means the board of Directors.

Closely Related Party has the meaning given to that term in the Corporations Act.

Company means Riversgold Limited ACN 64 617 614 598.

Constitution means the constitution of the Company.

Corporations Act means the Corporations Act 2001 (Cth).

Director means a director of the Company.

Equity Securities has the meaning as in the Listing Rules.

Explanatory Statement means this Explanatory Statement accompanying the Notice.

Key Management Personnel has the meaning given to that term in the Accounting Standards and broadly includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company.

Listing Rules means the listing rules of the ASX.

Market Value means the value of Shares as determined by the volume weighted average trading price of Shares sold on the ASX over the last 5 trading days immediately before the relevant date.

Notice or **Notice of Meeting** means the notice of annual general meeting accompanying this Explanatory Statement.

Remuneration Report means the remuneration report set out in the Director's report section of the Company's annual financial report for the period ended 30 June 2018.

Restricted Voter means Key Management Personnel and their Closely Related Parties.

Resolution means a resolution the subject of this Notice.

Share means an ordinary fully paid share in the capital of the Company;

Shareholder means a holder of a Share.

Trading Day means a day determined by ASX to be a trading day in accordance with the Listing Rules.

WST means Australian Western Standard Time.

EXPLANATORY STATEMENT

SCHEDULE 1

Terms and Conditions of Consideration Options Issued to Westex Resources Pty Ltd

1. **Exercise Price**

Each option to acquire a Riversgold Limited Share (**Consideration Option**) shall have an exercise price of \$0.20 (**Exercise Price**).

2. **Expiry Date**

Each Consideration Option shall expire on 19 March 2020 (**Expiry Date**).

3. **Exercise Period**

Each Consideration Option is exercisable at any time prior to the Expiry Date (**Exercise Period**).

4. **Exercise of Consideration Options**

The Consideration Options may only be exercised during the Exercise Period.

5. **No Official Quotation of Consideration Options**

Riversgold Limited (**Riversgold**) will not apply for official quotation of the Consideration Options.

6. **Entitlement**

Each Consideration Option entitles the holder to subscribe for one Riversgold Share upon exercise of each Consideration Option.

7. **Notice of Exercise**

The Consideration Options may be exercised by giving written notice to Riversgold at any time during the Exercise Period. The notice (**Exercise Notice**) must:

- (a) specify the number of Consideration Options being exercised and the number of Riversgold Shares to be issued;
- (b) specify whether the Riversgold Shares are to be issued to the holder of the Consideration Options or a nominee; and
- (c) be accompanied by payment of the Exercise Price for each Consideration Option being exercised.

Any Exercise Notice in respect of a Consideration Option received by the Company will be deemed to be a notice of the exercise of that Consideration Option as at the date of receipt.

8. **Shares Issued on Exercise**

Riversgold Shares issued on exercise of Consideration Options rank equally with the then Riversgold Shares currently on issue.

9. **Official Quotation of Shares on Exercise**

Application will be made by Riversgold to ASX for official quotation of the Riversgold Shares issued upon the exercise of the Consideration Options.

RIVERSGOLD LIMITED

ABN 64 617 614 598

EXPLANATORY STATEMENT

SCHEDULE 1

Terms and Conditions of Consideration Options Issued to Westex Resources Pty Ltd (continued)

10. Timing of issue of Shares

- (a) Subject to paragraph 10(b), within 3 Business Days after the receipt of an Exercise Notice, given in accordance with these terms and conditions and payment of the Exercise Price for each Consideration Option being exercised, Riversgold will allot and issue the Shares pursuant to the exercise of the Consideration Options and will, at the same time, issue a cleansing notice under section 708A(5) of the *Corporations Act 2001* (Cth) (**Corporations Act**).
- (b) If Riversgold is not then permitted to issue a cleansing notice under section 708A(5) of the Corporations Act, Riversgold must either:
- (i) issue a prospectus on the date that the Shares are issued under paragraph (a) above (in which case the date for issuing those Shares may be extended to not more than 30 Business Days after the receipt of the Exercise Notice, to allow the Company time to prepare that prospectus); or
 - (ii) issue a prospectus before the date that the Shares are issued under paragraph (a) above, provided that offers under that prospectus must still be open for acceptance on the date those Shares are issued,

in accordance with the requirements of section 708A(11) of the Corporations Act.

11. Participation in New Issues

There are no participation rights or entitlements inherent in the Consideration Options and holders will not be entitled to participate in new issues of capital offered to shareholders during the currency of the Consideration Options.

However, Riversgold will ensure that, for the purposes of determining entitlements to any such issue, the beholder will be provided with at least five business days' notice prior to the record date. This will give the holders of Consideration Options the opportunity to exercise their Consideration Options prior to the date for determining entitlements to participate in any such issue.

12. Adjustment for bonus issues of Shares

If Riversgold makes a bonus issue of Shares or other securities to existing shareholders (other than an issue in lieu of, or in satisfaction of, dividends or by way of dividend reinvestment):

- (a) the number of Shares which must be issued on the exercise of a Consideration Option will be increased by the number of Shares which the Optionholder would have received if the Optionholder had exercised the Consideration Option before the record date for the bonus issue; and
- (b) no change will be made to the Exercise Price.

EXPLANATORY STATEMENT

SCHEDULE 1

Terms and Conditions of Consideration Options Issued to Westex Resources Pty Ltd (continued)

13. Adjustment for Rights Issue

If Riversgold makes an issue of Shares pro rata to existing shareholders (except a bonus issue) the Exercise Price of a Consideration Option may be reduced according to the following formula:

$$\text{New Exercise Price} = O - \frac{E [P - (S + D)]}{N + 1}$$

- O = the old Exercise Price of the Consideration Option.
- E = the number of underlying Shares into which one Consideration Option is exercisable.
- P = volume weighted average market price (as defined in the Listing Rules) per Share during the 5 trading days ending on the day before the ex rights date or ex entitlements date.
- S = the subscription price of a Share under the pro rata issue.
- D = the dividend due but not yet paid on the existing underlying Shares (except those to be issued under the pro rata issue).
- N = the number of Shares with rights or entitlements that must be held to receive a right to one new Share.

14. Adjustments for Reorganisation

If there is any reorganisation of the issued share capital of Riversgold, the rights of the Optionholders will, be varied to the extent necessary to comply with the ASX Listing Rules which apply to the reorganisation at the time of the reorganisation.

15. Consideration Options not Transferable

The Consideration Options are not transferable.

16. Lodgement Instructions

Cheques shall be in Australian currency made payable to Riversgold and crossed "Not Negotiable". The application for Shares on exercise of the Consideration Options with the appropriate remittance should be lodged at Riversgold's share registry.

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