



RIVERSGOLD LTD

ASX: RGL
QUARTERLY REPORT
FOR PERIOD 30 SEPT 2020

Issued Capital

391,747,641 shares on issue

Market Capitalisation

\$22.17M

Board

Simon Andrew
Non-Executive Chairman

Xavier Braud
Executive Director

Simon Bolster
Non-Executive Director

Riversgold Ltd

ACN 617 614 598

ABN 64 617 614 598

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ASX code: RGL

www.riversgold.com.au

Highlights

- **Litho-structural interpretation of reprocessed airborne magnetics by Quarterback Consultants identified 40 exploration targets.**
- **Remote Sensing regolith mapping by Quarterback confirmed 17 of the 40 targets to be amenable to surface sampling.**
- **First phase of fieldwork completed at Kurnalpi with 4,200 soils samples collected over newly defined 17 magnetic targets.**
- **Assays for the 4,200 soils samples still pending due to longer than usual turnaround time at assays laboratories.**
- **RGL advancing avenues to accelerate first pass scanning of field targets.**
- **Capital Raising of \$1,532,000 via a placement completed in August to fund exploration activities in Australia.**
- **Second and third milestone payments from Mamba Minerals LLC received for Partial Divestment of the Alaskan Projects (A\$315,000 for US\$225,000 received this quarter).**

Riversgold Limited (ASX: RGL, "Riversgold", "the Company") is pleased to provide a summary of activities for the Quarter ending 30 September 2020.

Riversgold is actively exploring its 1,050km² Kurnalpi Project located 50km east of Kalgoorlie in the Eastern Goldfields of Western Australia.

In July 2020, Quarterback Geological Consultants, working for RGL on an equity for success basis, reprocessed and reinterpreted the airborne magnetic data publicly available for the Kurnalpi area. This reinterpretation work led to the identification of more than 40 magnetic targets in the Kurnalpi Project (Figure 1).

In August, following up on the magnetics reinterpretation, remote sensing regolith terrain interpretation was finalized over the whole Kurnalpi project with a focus on the 40 newly interpreted magnetic targets. This regolith terrain interpretation exercise deemed 17 of the 40 targets amenable to surface sampling as a first pass exploration tool.

During August, Riversgold mobilised a team of samplers to the Kurnalpi Project and collected approximately 4,200 soils samples across the 17 targets over a 6 week period.

All samples were submitted to Bureau Veritas in Perth for low level gold by BLEG analysis. At the end of the quarter, assays were still pending. An increased level of gold exploration activity throughout the state of Western Australia, combined with logistical restrictions due to the management of the COVID-19 pandemic during the quarter, has put the assays laboratories under pressure and samples turnaround times have considerably increased. At the end of the quarter, assays for samples submitted in August had still not been received.

The limited drill rigs availability and long turnaround times on sample assays means that RGL will not be in a position to drill in the last quarter of 2020 as originally planned. The Company is gearing up for drilling activities to start in the first quarter of 2021. Riversgold is actively advancing alternative avenues to expedite the first pass scanning of targets through surface geochemistry and geophysics and to reduce its reliability on third party providers which has been considerably slowing down the company's efforts to date.

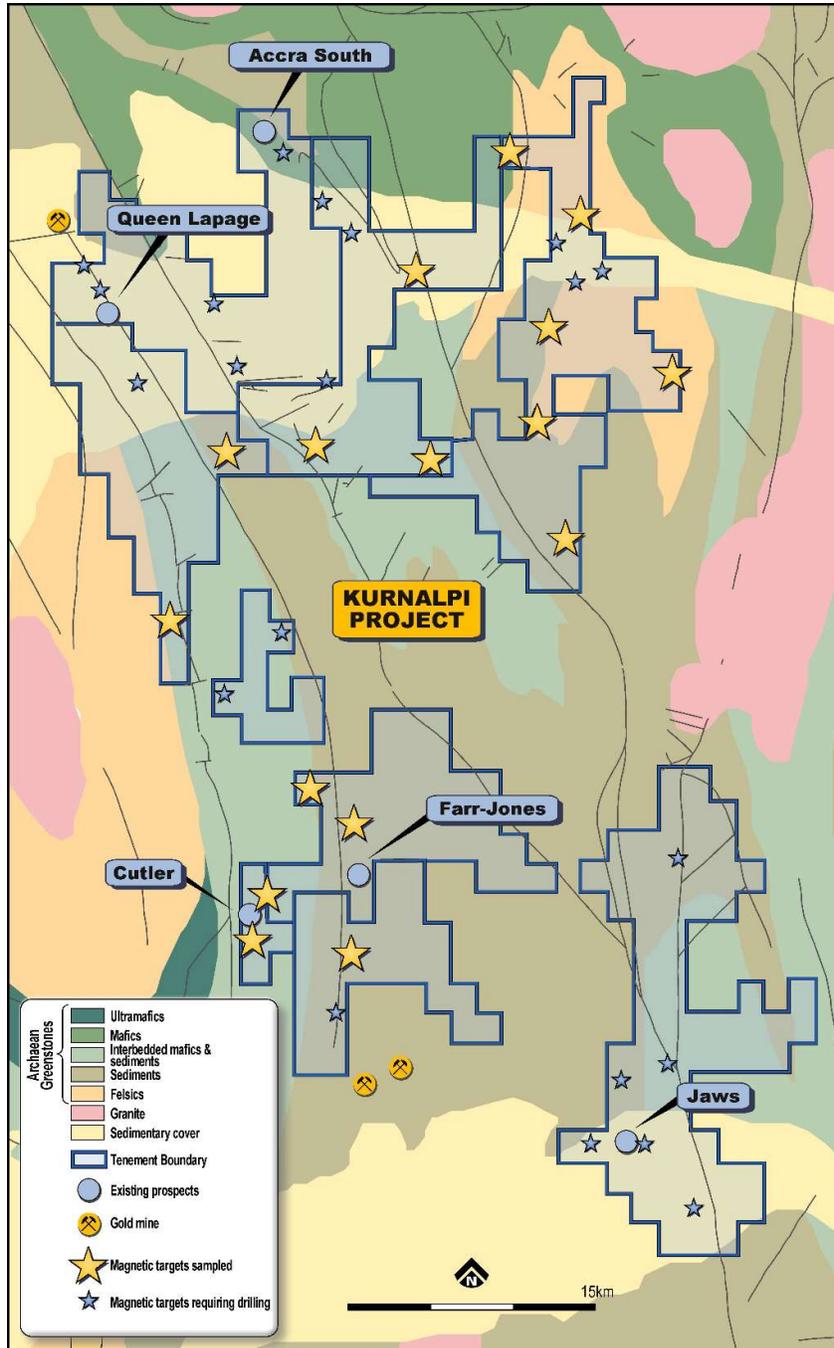


Figure 1: Recently interpreted magnetic targets over simplified geology backdrop.

During the December Quarter 2020, Riversgold intends to advance and accelerate target definition and testing through further near surface geochemistry and geophysics as well as progress permitting for drilling and secure an RC drill rig to start drilling in February 2021.

During the quarter RGL received a further two milestone payments in the divestment of its Alaskan Gold Project to private consortium Mamba Mineral LLC (Mamba) in a cash and earn-in transaction. Mamba can earn 30% interest through a US\$1 million cash payment staged over 12 months with the following milestones:

- US\$25,000 paid at execution.
- US\$225,000 to be paid 60 days after Execution Date.
- US\$375,000 to be paid 150 days after Execution Date.
- US\$375,000 to be paid 12 months after Execution Date.

Mamba is to spend US\$5 million over three years to earn up to 70% of the project. US\$2 million spend will give Mamba 49% of the project. A further US\$3 million spend will take Mamba's interest to 70% with RGL retaining 30% of project up to a decision to mine.

1. Corporate Activity

1.1. Capital Raising

The Company completed a capital raising during the quarter completed in two tranches with Tranche 1 completed under the company's available 15% capacity under ASX Listing rule 7.1 and additional 10% placement capacity under ASX listing rule 7.1A and Tranche 2 of the Capital Raising being subject to shareholder approval.

The General Meeting of Shareholders took place on 6th August 2020 as per the Notice of Meeting dated 8th July 2020 to approve Tranche 2 and all resolutions were passed.

The key terms of the Capital Raising are as follows:

- Placement to sophisticated or professional investors of up to 139,318,182 fully paid ordinary shares (**Shares**) at an issue price of \$0.011 per Share to raise \$1,532,500 (**Placement**);
- Tranche 1 of up to 65,522,235 shares to raise \$720,744 under the Company's available capacity was completed on 26 May 2020;
- Tranche 2 subject to shareholder approval; of up to 73,795,947 shares raised \$811,755 was completed on 13 August 2020;
- One free attaching unlisted option for every two placement shares issued, Options were issued and exercisable at three cents with three years expiry (**Option**); and
- Existing Directors participated in Tranche 2 of 10,000,000 shares at \$0.011 per share.

1.2. Board Changes

During the quarter Mr Justin Boylson resigned from his position as Non-Executive Director.

2. Western Australia

Riversgold controls a 1,050km² portfolio of mineral exploration tenements in the Eastern Goldfields of Western Australia (Figure 1), 50km east of Kalgoorlie.

The projects are located along major structures and within proximity to transport infrastructure, existing gold processing facilities and emerging gold discoveries.

Two new tenement applications were submitted in WA during the quarter, all statutory reporting was completed, and the tenements kept in good standing.

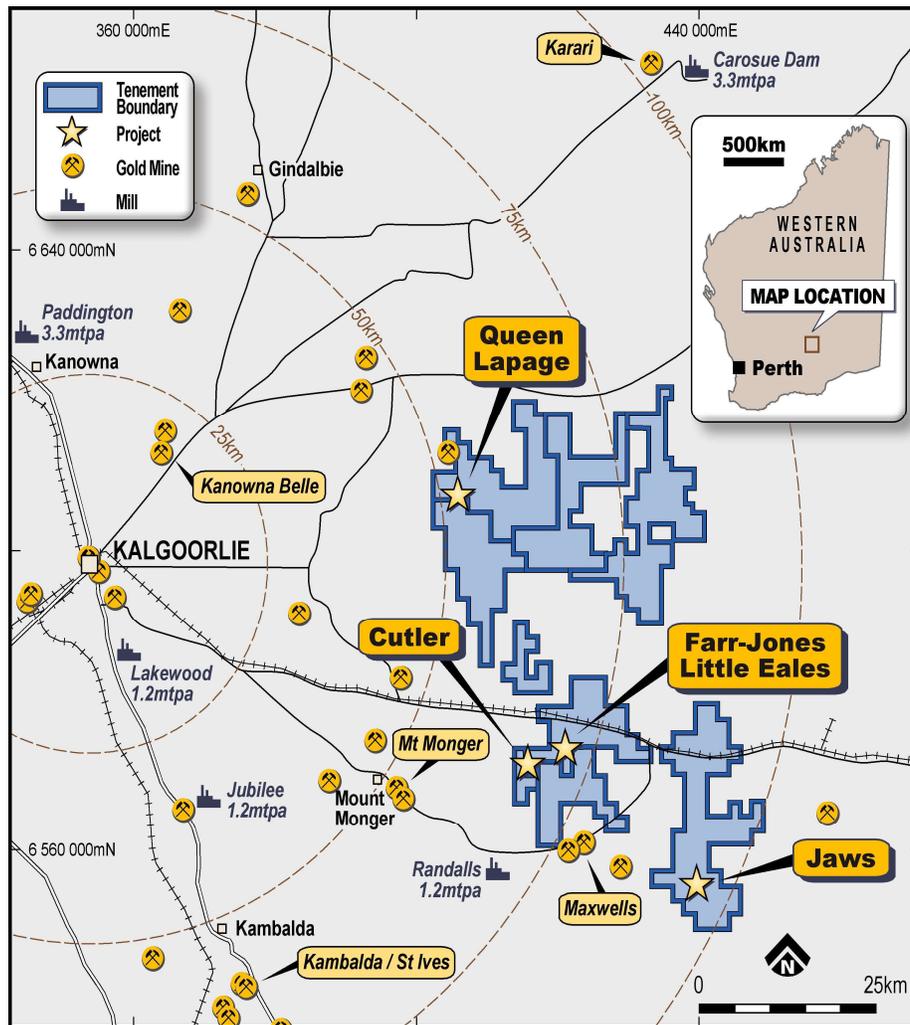


Figure 2: Kurnalpi project location showing existing mines & mills surrounding Riversgold's tenements.

3. Southwest Alaska, USA

Riversgold has a 100% interest in the Southwest of Alaska, USA. The projects are located at the western end of the “Tintina Gold Province”, which hosts the giant 45 million-ounce Donlin Creek gold deposit, along with other intrusion-related gold (IRG) deposits such as Fort Knox, Pogo and Livengood to name a few.

During the Quarter an agreement is between Afranex (Alaska) Limited and Mamba Minerals LLC (Mamba) was executed which grants Mamba exclusive rights to acquire an aggregate of 70% interest in the Joint Venture property by making milestone cash payments and spending the earn-in expenditure in accordance with the agreement.

The ‘Earn-in Interest’ comprises the ‘Milestone Interest’, the ‘First Earn-in Interest’ and the ‘Second Earn-in Interest’ (together, these amount to a 70% interest in the Tenements).

Details of these interests, and the requirements which must be met by Mamba Group to acquire each interest, are set out below:

INTEREST	REQUIREMENT	DEADLINE	INTEREST ACQUIRED
Milestone interest	Pay US\$25,000 (received)	on execution of agreement	30%
	Pay US\$125,000 (received)	19 th August 2020	
	Pay US\$100,000 (received)	30 th September 2020	
	Pay US\$375,000	31 st December 2020	
	Pay US\$375,000	31 st May 2021	
First Earn-in Interest	Expenditure of US\$2,000,000 on exploration Activities	18 months after execution of agreement	19%
Second Earn-in Interest	Expenditure of US\$5,000,000 on exploration Activities (inclusive of the US\$2,000,000 expended to earn first earn-in Interest)	36 months after execution of agreement	21%

On the date on which Mamba chooses to make a decision to mine, the Joint Venture will convert to an unincorporated production Joint Venture.

4. South Australia

Riversgold is exploring for a large Iron-Oxide Copper-Gold deposit in the Olympic Copper-Gold Province of South Australia.

During the quarter, the Company was holding two projects within this province (Figure 2). The 2018 announcement of significant results at the Oak Dam West target, by BHP, highlights the potential for the discovery of further large IOCG deposits within this province.

One of the first activities of Quarterback after its appointment was to review the Burt Lagoon prospect data. Burt lagoon tenure was coming up for renewal with a compulsory 50% reduction of the tenement size.

An inversion of the existing magnetic and gravity data for the area was conducted and an interpretation produced.

Following the results of the interpretation, and during the quarter, RGL decided to relinquish the Burt Lagoon tenement.

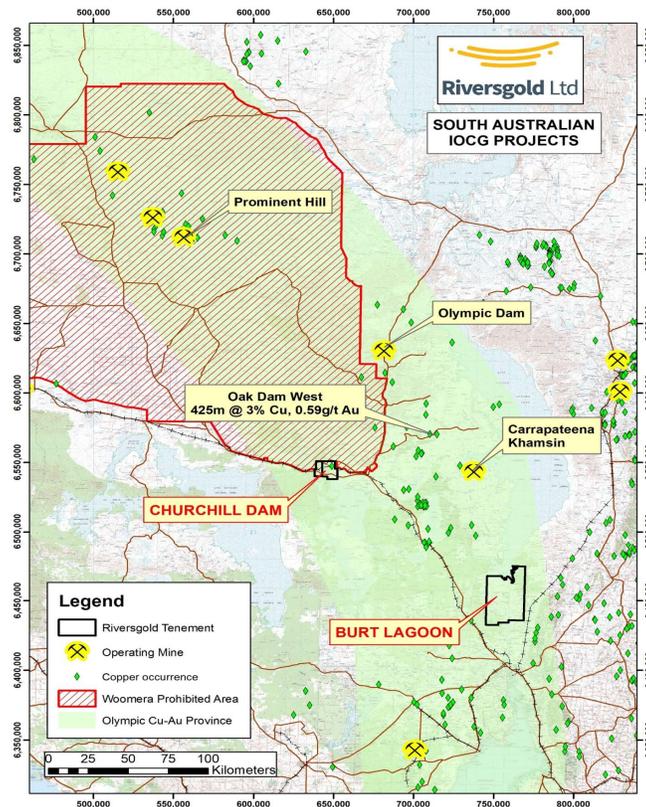


Figure 2: Riversgold's South Australian projects in relation to known IOCG deposits.

This announcement has been approved for release by the Board of Riversgold Ltd

For more information, contact Xavier Braud, Executive Director, at info@riversgold.com.au

Xavier Braud
 Executive Director

About Riversgold Limited

Riversgold is a mineral exploration company which listed on the ASX in October 2017 and has a portfolio of gold exploration projects within the Eastern Goldfields of Western Australia, the Tintina Gold Belt in southwest Alaska, USA, and the Gawler Craton of South Australia.

Tenement Schedule

Project	Tenement	Status	Ownership at beginning of Quarter	Ownership at end of Quarter
Western Australia				
Kurnalpi	E 25/538	Live	80%	80%
	E 25/539	Live	80%	80%
	E 25/540	Live	80%	80%
	E 25/541	Live	80%	80%
	E 28/2580	Live	80%	80%
	E25/550	Live	100%	100%
	E28/2599	Live	Earning 70%	Earning 70%
	E28/2665	Live	Earning 70%	Earning 70%
	E25/573	Application	100%	100%
	E25/582	Application	100%	100%
	E25/583	Application	100%	100%
	P25/2610	Application	100%	100%
	P25/2611	Application	100%	100%
	P25/2612	Application	100%	100%
E28/3034	Application	100%	100%	
E28/3060	Application	100%	100%	
South Australia				
Churchill Dam	EL 5890	Live	100%	100%
Eucolo Creek	EL 6313	Live	0%	100%
Alaska				
Luna/Quicksilver	BP claims	Live	66 – 100%	64 – 100%
	LUNA claims	Live	40 – 100%	38 – 100%
	NQ claims	Live	10 – 100%	8 – 100%
Gemuk Mountain	GM claims	Live	52 – 100%	52 – 100%
Midway Hill	MD claims	Live	70 – 100%	70 – 100%
Cambodia				
Antrong	Antrong	Application	100%	100%
	Kang Roland North	Application	100%	100%
	Rapoah	Application	100%	100%
Kang Roland South	Kang Roland South	Application	100%	100%

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Riversgold Limited

ABN

64 617 614 598

Quarter ended ("current quarter")

30. September 2020

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation (if expensed)	(226)	(226)
(b) development		
(c) production		
(d) staff costs	(82)	(82)
(e) administration and corporate costs	(154)	(154)
1.3 Dividends received (see note 3)		
1.4 Interest received	1	1
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Government grants and tax incentives		
1.8 Other (provide details if material)	22	22
1.9 Net cash from / (used in) operating activities	(439)	(439)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities		
(b) tenements		
(c) property, plant and equipment		
(d) exploration & evaluation (if capitalised)		
(e) investments		
(f) other non-current assets		

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	312	312
	(b) tenements		
	(c) property, plant and equipment		
	(d) investments		
	(e) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
2.6	Net cash from / (used in) investing activities	312	312

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	715	715
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options		
3.4	Transaction costs related to issues of equity securities or convertible debt securities		
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
3.10	Net cash from / (used in) financing activities	715	715

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1279	1279
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(439)	(439)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	312	312
4.4	Net cash from / (used in) financing activities (item 3.10 above)	715	715

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	1,867	1,867

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	860	860
5.2	Call deposits	1,007	1007
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,867*	1,867
*Does not include Alaskan farm in payments of \$750,000USD			

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2 – Directors fees

Current quarter \$A'000
-
77

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i>		
<i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities		
7.2 Credit standby arrangements		
7.3 Other (please specify)		
7.4 Total financing facilities		
7.5 Unused financing facilities available at quarter end		
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	(439)
8.2 Capitalised exploration & evaluation (Item 2.1(d))	-
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	(439)
8.4 Cash and cash equivalents at quarter end (Item 4.6)	1,867
8.5 Unused finance facilities available at quarter end (Item 7.5)	-
8.6 Total available funding (Item 8.4 + Item 8.5)	1,867
8.7 Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	4
8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:	
1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer:	
2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer:	
3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer:	

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: ..30 October 2020.....

Authorised by: .. By the board.....
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.