

## CAPITAL RAISING AND BOARD CHANGES

### HIGHLIGHTS

- Riversgold to undertake capital raising of approximately \$1,900,000 via a \$400,000 placement and \$1,500,000 non-renounceable rights issue.
- Funds to be applied towards managing and realising the full potential of the Company's underlying assets, as well as look for complementary acquisition opportunities to generate shareholder value
- Appointment of Justin Boylson as Executive Director

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### SUMMARY

Riversgold Limited ACN 617 614 598 (**Company**) is pleased to advise that it has entered into an agreement with Otsana Pty Ltd ACN 1445 168 216 trading as Otsana Capital (**Otsana**) to assist with a capital raising for the Company (**Capital Raising**). Implementation of the Capital Raising is subject to shareholder approval. The Company will convene a meeting of shareholders to be held in early October to consider the proposal (**Meeting**).

The key terms of the Capital Raising are as follows:

- subject to shareholder approval, the Company will undertake a placement to sophisticated or professional investors of up to 40,000,000 fully paid ordinary shares (**Shares**) at an issue price of \$0.01 per Share to raise \$400,000 (**Placement**);
- subject to shareholder approval, existing Directors will convert \$100,533 of accrued Directors fees into Shares at a conversion price of \$0.01 per Share; and
- the Company will undertake a non-renounceable rights issue on the basis of 1 new Share for every Share held on the record date, at an issue price of \$0.01 to raise up to \$1,511,815 (**Rights Issue**).

### Capital Raisings and Director Conversion Shares

Subject to shareholders approving the Placement (and associated resolutions) at the Meeting, the Company intends to conduct the Placement as soon as possible after the Meeting. Otsana will act as lead manager to the Placement. Funds raised under the Placement, together with the rights issue, will be used to continue work on the Company's existing assets, look for complimentary opportunities and to meet working capital needs.

Subject to shareholder approval to be sought at the Meeting, Mr Aaron Colleran, Mr Kevin Hart and Mr Roderick Webster have agreed to convert accrued but unpaid Directors fees up to 31<sup>st</sup> July 2019 into Shares at a conversion price of \$0.01 (**Director Conversion Shares**).

The Company intends to undertake the Rights Issue as soon as possible after the Meeting. It is intended that the record date for the Rights Issue will be after the issue of Shares under the Placement and issue of Director Conversion Shares such that the holder of these Shares will be entitled to participate in the Placement. Otsana will act as lead manager to place any shortfall of Shares under the Rights Issue. The Company intends to release full terms and conditions of the Rights Issue, including the timetable, to the market in due course.

Subject to shareholder approval and in connection with the Capital Raising, the Company will issue Otsana (or its nominees) 35,000,000 options, each with an exercise price of \$0.02 expiring 3 years from the date of issue.

The indicative capital structure of the Company on completion of the above security issues is as follows:

<b>Security</b>	<b>Number</b>
Existing Shares on issue	101,181,543
Placement Shares	40,000,000
Director Conversion Shares	10,053,300
Rights Issue	151,234,843
<b>Total</b>	<b>302,469,686</b>
Options (exercisable at \$0.02 on or before 3 years from issue)	35,000,000

### **Board Changes**

As part of the Capital Raising, Aaron Colleran and Kevin Hart have resigned from the Board and have been replaced by Justin Boylson, Simon Andrew and Michael Davy. Brief bio's of Mr Boylson, Mr Andrew and Mr Davy is set out further below. Current Chairman Roderick Webster will remain as Chairman, transitioning to a Non-Executive role and Justin Boylson will assume an executive role within the Company. The key terms of Mr Boylson's appointment is set out in the Annexure to this announcement. The Company wishes to thank Mr Colleran and Mr Hart for their contribution to the Company. Mr Hart will remain as Company Secretary.

#### ***Justin Boylson (Executive Director)***

Mr Boylson is an experienced commodity trader and resource project manager with over 25 years' experience. He has an extensive resource and commodity-based knowledge of Australia, South East and North Asia and their markets. Mr Boylson commenced his career in the international trade and commodity markets after time in the Australian Army. He worked for Brickworks Limited in various senior managerial positions including Regional Export Manager, Project Manager (WA) and Regional Director (Middle East). Mr Boylson joined Sinosteel Australia in 2006 where he was responsible for the day to day running of the trade desk. In 2008 he joined Tennant Metals as its Western Australia and Bulk Commodity General Manager. Mr Boylson was responsible for several high profile off-take transactions and was also involved in the start-up of several mining and recovery projects in Australia, the USA and Asia. Mr Boylson joined ResCap Investments as a Director in 2014 and remains a Director of Manuka Resources and Mt Boppy Resources.

#### ***Simon Andrew (Non-executive Director)***

Simon has over 20 years' experience in financial markets in Asia and Australia. Previously he has held senior management positions at various global investment banks. These roles included leading the equity sales desk for BNP Paribas for the ASEAN region and heading the Refining and Petrochemicals sector research team at Deutsche Bank in Asia. Upon returning to Perth in 2012, Mr. Andrew spent 5 year as a research analyst at Hartley's covering the oil and gas and industrials sectors.

Mr Andrew was a founding director of Emmerson Resources (ERM:ASX) and spent 8 years as a Non-Executive Director. He was responsible for securing the financing for the purchase of the Tennant Creek assets for Emmerson and arranging the IPO in 2007.

Mr. Andrew is currently the Managing Director of Hylea Metals (HCO: ASX). Hylea recently entered into an agreement to acquire the Kayelekera uranium mine in Malawi.

#### ***Michael Davy (Non-executive Director)***

Mr Davy is an Australian executive and Accountant with over 15 years' experience across a range of industries. Mr Davy is also a director and owner of a number of successful private businesses. During the past five years Mr Davy has held directorships in numerous ASX listed companies and is currently the Non-Executive Chairman of Raiden Resources Limited.

On behalf of the Board

#### **Rod Webster**

Chairman

## **Annexure – Summary of key terms of Mr Boylson’s Executive Service Agreement**

**Commencement Date:** 28 August 2019

**Term:** Ongoing appointment until terminated by either party in accordance with the agreement (see below).

**Hours of work:** Executive to devote 60% of his time to performing his role with the Company under the agreement.

**Remuneration:** \$150,000 per annum plus minimum statutory superannuation.

**Incentives:** the Company intends to implement an incentive scheme for the Executive based on the achievement of specified objectives and milestones that will increase the value of the Company. The form of the incentive scheme and specified objectives and milestones will be agreed within 3 months of the Commencement Date.

### **Termination:**

The Company may terminate the employment:

- by giving the Executive 3 months’ notice;
- by giving 1 months’ notice in the event the Executive commits a serious or persistent breach of the agreement, or in the reasonable opinion of the Board demonstrates incompetence or is neglectful or fails to properly discharge his duties under the agreement; and
- summarily without notice in the event the Executive is convicted with any major criminal offence, is guilty of gross misconduct, and certain other circumstances.

The Executive may terminate the employment:

- by giving the Company 3 months’ notice; or
  - immediately without notice in the event the Company commits any serious or persistent breach of the agreement.
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