



Financial Report
For the Half Year Ended 31 December 2018

Riversgold Ltd
ABN 64 617 614 598

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Directors' Report

The Directors present the financial statements of Riversgold Ltd (the Company) and the entities it controlled (the Group) for the half year ended 31 December 2018.

Directors

The following persons were directors of Riversgold Ltd during the whole of the half year and up to the date of this report, unless otherwise stated:

Roderick Webster	(Non-Executive Chairman)
Allan Kelly	(Managing Director)
Jeffrey Foster	(Non-Executive Director)
Aaron Colleran	(Non-Executive Director – Appointed 1 February 2019)

Company Secretary

Kevin Hart

Review of Operations

The consolidated loss after income tax for the half year was \$1,165,793 (31 December 2017 restated: \$6,735,435) which included \$669,574 of exploration costs expensed, mainly due to the relinquishment of the Kisa claims in Alaska.

At the end of the half year the Group had \$1,135,384 (30 June 2018: \$2,895,471) in cash and at call deposits. During the reporting period \$602,750 (before costs) was received from the issue of shares pursuant to a Private Placement and a Share Purchase Plan. Capitalised mineral exploration and evaluation expenditure at 31 December 2018 was \$5,969,292 (30 June 2018: \$4,667,898).

Exploration

During the reporting period Riversgold conducted exploration programmes across its projects in Western Australia and southwest Alaska, USA.

Alaska, USA

Riversgold completed its first exploration field season in Alaska, USA, commencing in July 2018.

Exploration activities included completion of surface geochemical sampling within the Luna, Quicksilver and Gemuk prospect, an Induced Polarisation (IP) survey over the Luna prospect and a limited diamond drilling programme at Luna and Quicksilver (*ASX announcement 20 July 2018*).

Rock chip sampling at Gemuk outlined a 2km long zone of outcropping high-grade gold mineralisation within the "Pluton Fault" whilst reconnaissance soil sampling highlighted a second potentially mineralised parallel structure to the south.

Sampling at Quicksilver located a number of massive arsenopyrite veins which average approximately 8g/t Au, along with a number of other mineralised outcrops related to felsic porphyry dikes. Soil Sampling outlined large areas of gold and pathfinder anomalism to the north east of the outcropping veins (*ASX announcement 12 October 2018*).

The Luna IP survey highlighted a number of chargeability and/or resistivity anomalies that could be related to intrusion-related gold mineralisation beneath a thin blanket of till and alluvium.

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Directors' Report

Review of Operations (continued)

Reconnaissance sampling of the "Midway" target resulted in the discovery of outcropping high-grade epithermal veins at two locations over which new State of Alaska mining claims were staked.

Following the geochemical and geophysical programmes, the Company planned to test a number of targets at Luna, Quicksilver and Kisa with diamond drilling. The planned 1000m programme was severely impacted by mechanical issues with the drill rig, resulted in the completion of only 3 holes for 356m.

LQDD001, at Luna intersected a mineralised felsic porphyry and returned a result of 55m @ 0.23g/t Au from 37m (using a 0.1g/t Au cutoff and maximum 1 sample of internal dilution) (*ASX announcement 12 October 2018*).

Drilling at Luna East and Quicksilver intersected thin high-grade veins with anomalous Au, Ag and As.

WA Gold Projects

Exploration was conducted on the Farr-Jones project during the reporting period including soil sampling, aircore and RC drilling. Permitting was completed at Queen Lapage, allowing for the first drilling campaign on Lake Yindarlgooda in 2019.

Farr-Jones

At Farr-Jones, RC and aircore drilling has identified oxide and primary gold mineralisation over at least 2.5km of strike so far, with only the Farr-Jones target tested with deeper RC drilling. Aircore drilling intersected supergene gold mineralisation at the newly identified Eales and Little targets following recent soil sampling (*ASX announcements dated 2 July 2018, 13 August 2018, 17 October 2018, 19 October 2018, 16 January 2019, 21 February 2019*).

Significant results from drilling at these projects so far includes:

- 3m @ 17.8g/t Au from 182m, including 1m @ 48.5g/t Au from 183m (FJRC0001)
- 4m @ 6.26g/t Au from 119m, including 2m @ 11.94g/t Au from 120m (FJRC0002)
- 1m @ 4.2g/t Au from 77-78m (FJRC0010 – North Farr-Jones)
- 6m @ 2.03g/t Au from 85m (including 1m @ 6.72g/t Au and 1m @ 2.8g/t Au) (FJAC0007 - North Farr-Jones)
- 3m @ 1.92g/t Au from 56m (including 1m @ 3.04g/t Au) (FJAC0012 - Eales)
- 4m @ 1.11g/t Au from 39m (including 1m @ 3.02g/t Au) (FJAC0015 - Eales)
- 12m @ 1,904ppb Au from 36m, including 8m @ 2,818ppb Au (FJAC0021 - Little)

The Company is planning follow-up work including further soil sampling over other targets along strike, followed by Aircore, RC and diamond drilling.

Cutler

The second round of drilling at the Cutler prospect returned a high-grade result from one of the northernmost holes, CURC0014 of 1m @ 62.9g/t Au from 129m, in an altered dolerite. The mineralisation remains open in most directions (*ASX announcement 25 July 2018*).

Queen Lapage

Work during the reporting period included permitting for the first drilling campaign on Lake Yindarlgooda, which commenced after the reporting period, in January 2019.

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Directors' Report

Review of Operations (continued)

South Australia

Work was limited to permitting, including a heritage survey, which now enables drilling to be undertaken at Churchill Dam. Discussions with a number of potential joint venture partners was undertaken.

The Company confirms that it is not aware of any new information or data that materially affects the information in the original market announcements, and that the form and context in which the Competent Persons findings are presented have not been materially modified from the original market announcements.

Significant Changes in the State of Affairs

There were no significant changes in the state of affairs of the Company during the reporting period.

Matters Subsequent to the End of the Financial Period

On 1 February 2019, Mr Aaron Colleran was appointed as a Non-executive Director of the Company. Mr Colleran replaces Mr Jeff Foster who tendered his resignation as a Non-executive Director effective 31 March 2019.

Other than noted above, there has not arisen in the interval between the end of the reporting period 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.

Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required under Section 307C of the *Corporations Act 2001* is set out on the following page.

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

Dated at Perth this 15th day of March 2019.



Allan Kelly
Managing Director

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the consolidated financial report of Riversgold Limited for the half-year ended 31 December 2018, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- a) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) any applicable code of professional conduct in relation to the review.

Perth, Western Australia
15 March 2019



D I Buckley
Partner

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HLB Mann Judd (WA Partnership) is a member of HLB International, the global advisory and accounting network.

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Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the half year ended 31 December 2018

	Note	Consolidated	
		31 December 2018	31 December 2017 (Restated)
		\$	\$
Income			
Interest income	3	5,190	27,279
Foreign exchange gain		45,626	-
Other income		50	-
Total income		50,866	27,279
Expenses			
Employee and director expenses	3	(224,177)	(121,265)
Corporate expenses		(99,440)	(36,404)
Administration and other expenses		(204,682)	(192,297)
Cambodia Gold Pty Ltd acquisition costs expensed	3	-	(6,397,398)
Financing costs		-	(12,820)
Depreciation expense		(18,786)	(2,530)
Exploration costs expensed and written off	5	(669,574)	-
		(1,216,659)	(6,762,714)
Loss before income tax	3	(1,165,793)	(6,735,435)
Income tax expense	3	-	-
Loss after tax		(1,165,793)	(6,735,435)
Other comprehensive income, net of income tax			
		-	-
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange differences on translation of foreign operations		64,877	(61,447)
Total comprehensive loss for the period		(1,100,916)	(6,796,882)
Earnings per share for loss attributable to the ordinary equity holders of the Company			
		Cents	Cents
Basic loss per share		(1.4)	(12.4)
Diluted loss per share		(1.4)	(12.4)

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

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Condensed Consolidated Statement of Financial Position
As at 31 December 2018

	Note	Consolidated	
		31 December 2018 \$	30 June 2018 \$
Current assets			
Cash and cash equivalents	12	1,135,384	2,895,471
Trade and other receivables	4	11,772	21,897
Other current assets		440	440
Total current assets		1,147,596	2,917,808
Non-current assets			
Property, plant and equipment		104,801	108,047
Capitalised exploration and acquisition costs	5	5,969,292	4,667,898
Total non-current assets		6,074,093	4,775,945
Total assets		7,221,689	7,693,753
Current liabilities			
Trade and other payables	6	142,118	201,270
Provisions	7	90,000	-
Employee leave liabilities		20,654	13,986
Total current liabilities		252,772	215,256
Total liabilities		252,772	215,256
Net assets		6,968,917	7,478,497
Equity			
Issued capital	8	13,420,025	12,845,783
Accumulated losses	10	(8,620,413)	(7,454,620)
Reserves	11	2,169,305	2,087,334
Total equity		6,968,917	7,478,497

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

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Condensed Consolidated Statement of Changes in Equity
For the half year ended 31 December 2018

	Consolidated				
	Issued capital \$	Accumulated losses \$	Share based payment reserve \$	Foreign currency translation reserve \$	Total \$
At 1 July 2017	506,885	(66,931)	-	-	439,954
Loss for the period (restated)	-	(6,735,435)	-	-	(6,735,435)
Exchange rate fluctuations	-	-	-	(61,447)	(61,447)
Total comprehensive loss	-	(6,735,435)	-	(61,447)	(6,796,882)
Transactions with equity holders in their capacity as equity holders:					
Securities issued	13,025,485	-	1,978,481	-	15,003,966
Share issue costs	(752,249)	-	-	-	(752,249)
Share based payments:					
Employees/directors	-	-	21,461	-	21,461
Balance at 31 December 2017	<u>12,780,121</u>	<u>(6,802,366)</u>	<u>1,999,942</u>	<u>(61,447)</u>	<u>7,916,250</u>
At 1 July 2018	12,845,783	(7,454,620)	2,032,489	54,845	7,478,497
Loss for the period	-	(1,165,793)	-	-	(1,165,793)
Exchange rate fluctuations	-	-	-	64,877	64,877
Total comprehensive loss	-	(1,165,793)	-	64,877	(1,100,916)
Transactions with equity holders in their capacity as equity holders:					
Securities issued	602,750	-	-	-	602,750
Share issue costs	(28,508)	-	-	-	(28,508)
Share based payments:					
Employees/directors	-	-	17,094	-	17,094
Balance at 31 December 2018	<u>13,420,025</u>	<u>(8,620,413)</u>	<u>2,049,583</u>	<u>119,722</u>	<u>6,968,917</u>

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

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Condensed Consolidated Statement of Cash Flows
For the half year ended 31 December 2018

	Note	Consolidated	
		31 December 2018 \$	31 December 2017 \$
Cash flows from operating activities			
Payments to suppliers and employees		(473,929)	(357,870)
Interest received		6,580	1,867
Interest paid		-	(12,820)
Net cash used in operating activities		(467,349)	(368,823)
Cash flows from investing activities			
Post IPO reimbursement of expenses		-	(226,666)
Payments for exploration and evaluation		(1,867,761)	(680,802)
Payment for property, plant and equipment		(15,540)	(43,212)
Cash received on acquisition of subsidiary		-	12,567
Net cash used in investing activities		(1,883,301)	(938,113)
Cash flows from financing activities			
Proceeds from the issue of shares		602,750	6,415,485
Payments for share issue costs		(11,971)	(618,410)
Repayment of borrowings		-	(229,504)
Net cash from financing activities		590,779	5,567,571
Net increase/(decrease) in cash held		(1,759,871)	4,260,635
Cash at the beginning of the financial period		2,895,471	237,350
Effect of exchange rate fluctuations on cash held		(216)	1,006
Cash at the end of the financial period	12	1,135,384	4,498,991

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

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Notes to the Condensed Consolidated Financial Statements
For the half year ended 31 December 2018

Note 1 Basis of preparation of half year report

Statement of compliance

The condensed interim consolidated financial statements (the interim financial statements) for Riversgold Ltd and its subsidiaries (collectively, the Group) are general purpose interim financial statements, and have been prepared in accordance with Australian Accounting Standard *AASB 134 Interim Financial Reporting* and the *Corporations Act 2001*. Compliance with AASB 134 ensures that the financial statements comply with International Financial Reporting Standard *IAS 134 Interim Financial Reporting*.

These interim financial statements do not include all the notes of the type normally included in annual financial statements and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial statements. Accordingly, these interim financial statements are to be read in conjunction with the annual financial statements for the year ended 30 June 2018 and any public announcements made by Riversgold Ltd during the half-year reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The interim financial statements were approved by the Board of Directors on 15th March 2019.

Basis of preparation

The interim financial statements have been prepared on the historical cost basis. Cost is based on the fair values of consideration given in exchange for assets. The Company is domiciled in Australia and all amounts are presented in Australian dollars.

Accounting policies and methods of computation

The same accounting policies, accounting judgements, key estimates and methods of computation have been followed in these interim financial statements as compared with the most recent annual financial statements. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

For the purpose of preparing the interim financial statement, the half-year has been treated as a discrete reporting period.

The Group has adopted all of the new and revised standards and interpretations issued by the Australian Accounting Standards Board that are relevant to its operations and effective for the current half-year and no material change was required to Group accounting policies.

New standards and interpretations not yet adopted

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application date on future reporting periods and which the Group has decided not to early adopt. A discussion of those future requirements and their impact on the Group is as follows:

- **AASB 16 Leases**

The standard replaces *AASB 117 Leases* and for lessees will eliminate the classifications of operating leases and finance leases, and requires, subject to certain exemptions, the recognition of a 'right-of-use asset' and a corresponding lease liability, and the subsequent depreciation of the 'right-of-use' asset. For lessor accounting, the standard does not substantially change how a lessor accounts for leases.

The Group is party to a number of small operating lease arrangements, such as the lease of its office premises, and as such its exposure to the requirements of *AASB 16 Leases* is limited.

This standard is applicable to annual reporting periods beginning on or after 1 January 2019 and as such the Group will adopt this standard from 1 July 2019. Whilst there will be a material change in relation to the accounting of the office lease, it will not materially impact the overall net asset position of the Group.

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Notes to the Condensed Consolidated Financial Statements
For the half year ended 31 December 2018

Note 1 Basis of preparation of half year report (continued)

Going concern

The interim financial statements have been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

The ability of the Group to continue to adopt the going concern assumption will depend on future successful capital raisings, the successful exploration and subsequent exploitation of the Group's tenements and/or sale of non-core assets.

The Group will be required to raise additional funds in order to meet its budgeted expenditure. The Group has the ability to scale back discretionary expenditure pending the timing of raising of additional funds. Should these measures not be achieved there is a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern and therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

As at 31 December 2018 the Group has cash assets of \$1,135,384, and total current liabilities at that date amounting to \$252,772. The loss for the six months to 31 December 2018 was \$1,165,793 of which \$669,574 related to the expensing and write off of exploration costs. Operating cash outflows for the six months to 31 December 2018 were \$467,349.

Significant accounting judgements and key estimates

The preparation of the interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

The same judgments, estimates and assumptions were used in preparing the interim financial statements as those used in preparing the financial report for the year ended 30 June 2018.

Note 2 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 half year ended 31 December 2018.

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For the half year ended 31 December 2018

Note 2 Segment information (continued)

2018

6 months ended December 2018

	Australia \$	Alaska \$	Cambodia \$	Consolidated \$
Interest income	5,190	-	-	5,190
Segment revenue	50,866	-	-	50,866
Segment loss before income tax expense	625,022	540,771	-	1,165,793
Segment assets	4,142,827	3,078,862	-	7,221,689
Segment liabilities	162,772	90,000	-	252,772

Included within segment loss:

Depreciation	18,786	-	-	18,786
Exploration expenditure written off	119,073	540,637	-	659,710

Included with segment assets:

Fixed asset expenditure during the period	15,540	-	-	15,540
Exploration incurred during the period	495,713	1,465,391	-	1,961,104

2017

6 months ended December 2017

	Australia \$	Alaska \$	Cambodia \$	Consolidated \$
Interest income	27,279			27,279
Segment revenue	27,279	-	-	27,279
Segment loss before income tax expense	306,930	18,018	6,410,487	6,735,435
Segment assets	6,016,321	2,040,172	10	8,056,503
Segment liabilities	126,182	504,217	13,090	643,489

Included within segment loss:

Depreciation	2,530	-	-	2,530
Interest expense	12,820	-	-	12,820
Cambodia Gold Pty Ltd acquisition costs expensed	-	-	6,397,398	6,397,398

Included with segment assets:

Fixed asset expenditure during the period	43,212	-	-	43,212
Acquisition of exploration projects	1,125,479	1,902,129	-	3,027,608
Exploration incurred during the period	297,705	127,774	-	425,479

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Notes to the Condensed Consolidated Financial Statements
For the half year ended 31 December 2018

	Consolidated	
	31 December 2018 \$	31 December 2017 \$

Note 3 Revenue and expenses

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

Revenue

Interest income	5,190	27,279
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Employee Expenses

Salaries and wages	314,899	159,188
Directors Fees	55,000	16,077
Superannuation	29,868	12,463
Equity based remuneration	17,094	21,461
Other employee costs	19,856	834
Less: amount allocated to exploration	(212,540)	(88,758)

Net employee expenses	224,177	121,265
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Other Expenses include the following specific expenses:

Insurance	35,907	26,358
Occupancy expenses	22,326	19,976
Marketing expenses	56,067	20,513
	114,300	66,847

Cambodia Gold acquisition costs expensed

In the comparative period the Company acquired Cambodia Gold Pty Ltd. On acquisition, the Company acquired applications for mineral exploration licences in the Mondulhiri 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 had not yet been granted, the acquisition costs together with further costs incurred, were expensed.

Restatement of Income Tax Expense/Deferred Tax Liabilities

The Company has amended its accounting treatment in respect of recognising deferred tax liabilities on acquisition of subsidiaries. Although the revised treatment was adopted for the financial year ended 30 June 2018, a deferred tax liability, and corresponding income tax expense, was recognised for the half year ended 31 December 2017. This was based on taking a conservative approach until which time the tax treatment could be clarified. *AASB 112 Income Taxes* provides relief, in certain circumstances, for recognition of deferred tax liabilities if the acquisition is deemed an acquisition of assets and not a business combination.

The Company has restated the comparative figures in the Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income to reflect this change in accounting treatment. The deferred tax liability and tax expense reversed amounted to \$503,236.

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Notes to the Condensed Consolidated Financial Statements
For the half year ended 31 December 2018

	Consolidated	
	31 December 2018	30 June 2018
	\$	\$

Note 4 Current assets – Trade and other receivables

GST receivable	11,772	20,508
Accrued income	-	1,389
	11,772	21,897

	Consolidated	
	31 December 2018	30 June 2018
	\$	\$

Note 5 Capitalised exploration and acquisition costs

Balance at the beginning of the period	4,667,898	-
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	1,961,104	1,671,622
Exploration expenditure written off ⁶	(659,710)	-
Balance at the end of the period	5,969,292	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.

² Fair value of exploration assets recognised on the acquisition of the Churchill Dam project from Debnal Pty Ltd.

³ Fair value of exploration assets initially recognised on the acquisition of Afranex Gold Pty Ltd.

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.

⁶ Write off capitalised costs on relinquished tenements. During the period the Kisa claims in Alaska were relinquished and two of the three Kurnalpi South tenements were returned to Serendipity Resources Pty Ltd.

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.

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	Consolidated	
	31 December 2018	30 June 2018
	\$	\$

Note 6 Current liabilities – Trade and other payables

Trade and other payables	112,855	109,190
Accrued expenses	5,833	77,775
Employment related payables	23,430	14,305
	142,118	201,270

Note 7 Current liabilities – Provisions

The Company is currently in discussions with the Alaskan drilling supplier regarding disputed invoices totalling US\$221,826 (approximately AUD \$314,000). Mechanical problems with the Supplier's equipment caused significant disruption to the drilling program and as a result substantial additional costs were incurred which the Company is seeking to recover from the drilling supplier.

Although the total amount of the disputed invoices has not been recognised in the accounts, the Company has provided for approximately US\$63,000 (AUD \$90,000) as at 31 December 2018 in respect of amounts the Company believes are payable to the drilling supplier. This amount may change subject to the outcome of the Supplier negotiations.

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Notes to the Condensed Consolidated Financial Statements
For the half year ended 31 December 2018

Note 8 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.

	Issue price	31 December 2018		30 June 2018	
		Number	\$	Number	\$

b) Share capital

Issued share capital	83,214,935	12,845,783	83,214,935	12,845,783
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c) Share movements during the period

Balance at the start of the period	-	-	10,137,510	506,885
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
Shares issued under a Share Placement	\$0.075	6,670,000	500,250	-
Shares issued under a Share Purchase Plan	\$0.075	1,366,664	102,500	-
Less share issue costs		-	(28,508)	(754,087)
Balance at the end of the financial period		91,251,599	13,420,025	83,214,935

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Notes to the Condensed Consolidated Financial Statements
For the half year ended 31 December 2018

Note 9 Options and share based payments

a) Shares

During the financial period the Company issued 8,036,664 shares as shown in the table below:

<i>Issue Date</i>	<i>Number of Shares</i>
3/12/2018	6,670,000 ¹
19/12/2018	1,366,664 ²

¹ Shares issued at 7.5 cents per share pursuant to a private Share Placement with sophisticated investors.

² Shares issued at 7.5 cents per share pursuant to a Share Purchase Plan that closed on 14 December 2018.

b) Options

During the financial period no options were issued, exercised or cancelled on expiry of exercise period or termination of employment.

The number of options outstanding over unissued ordinary shares at 31 December 2018 is 22,200,000. The terms of these options are as follows:

<i>Date Granted</i>	<i>Number</i>	<i>Exercise price</i>	<i>Escrowed Until</i>	<i>Expiry date</i>
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			

c) Subsequent to balance date

No shares have been issued subsequent to balance date and to the date of signing this report.

Subsequent to balance date, 370,000 options were issued to employees under the Company's Option Incentive Plan. No options have been exercised or cancelled subsequent to the balance date and to the date of signing this report.

	Consolidated	
	31 December 2018	30 June 2018
	\$	\$

Note 10 Accumulated losses

Balance at the beginning of the period	(7,454,620)	(66,931)
Loss for the period	(1,165,793)	(7,387,689)
Balance at the end of the period	<u>(8,620,413)</u>	<u>(7,454,620)</u>

Riversgold Ltd
ABN 64 617 614 598

Notes to the Condensed Consolidated Financial Statements
For the half year ended 31 December 2018

	Consolidated			
	31 December 2018		30 June 2018	
	Foreign exchange translation reserve ¹ \$	Share based payment reserve ² \$	Foreign exchange translation reserve \$	Share based payment reserve \$

Note 11 Reserves

Balance at the beginning of the period	54,845	2,032,489	-	-
Movement in foreign translation reserve in respect of exchange rate	64,877	-	54,845	-
Movement in share based payment reserve in respect of options issued	-	17,094	-	2,032,489
Balance at the end of the period	<u>119,722</u>	<u>2,049,583</u>	54,845	2,032,489

¹The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries.

²The share based payment reserve is used to recognise the fair value of options issued and vested but not exercised. See Note 9 for further information on options issued.

	Consolidated	
	31 December 2018 \$	30 June 2018 \$

Note 12 Cash and cash equivalents

a) Cash and cash equivalents

Cash at bank and on hand	1,135,384	1,895,471
Deposits on call ¹	-	1,000,000
Total cash and cash equivalents	<u>1,135,384</u>	<u>2,895,471</u>

¹ Short term deposits are made for varying periods of between 3 and 6 months depending upon the immediate cash requirements of the Group and earn interest at the respective short term interest rates.

b) Cash balances not available for use

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

Office rental bond	<u>7,239</u>	<u>7,073</u>
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c) Material non-cash transactions

During the 6 months to 31 December 2018 there were no material non-cash transactions.

Riversgold Ltd
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Notes to the Condensed Consolidated Financial Statements
For the half year ended 31 December 2018

Note 13 Dividends

No dividends were paid or proposed during the period.

The Company has no franking credits available as at 31 December 2018.

Note 14 Contingencies

(i) Contingent liabilities

There has been no change in contingent liabilities since 30 June 2018.

(ii) Contingent assets

There has been no change in contingent assets since 30 June 2018.

Note 15 Financial instruments

The carrying amount of financial assets and financial liabilities approximates their fair value.

The methods and valuation techniques used for the purpose of measuring fair value are unchanged compared to the previous reporting period.

Note 16 Events occurring after the balance sheet date

On 1 February 2019, Mr Aaron Colleran was appointed as a Non-executive Director of the Company. Mr Colleran replaces Mr Jeff Foster who tendered his resignation as a Non-executive Director effective 31 March 2019.

Other than noted above, there has not arisen in the interval between the end of the reporting period 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.

Riversgold Ltd
ABN 64 617 614 598

Directors' Declaration

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

- (a) the attached interim financial statements and notes thereto are in accordance with the Corporations Act 2001, including:
 - (i) complying with Australian Accounting Standards, the *Corporations Regulations 2001*, professional reporting requirements and other mandatory requirements; and
 - (ii) giving a true and fair view of the financial position as at 31 December 2018 and of the performance for the half-year 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.

This declaration is signed in accordance with a resolution of the Board of Directors made pursuant to s.303(5) of the *Corporations Act 2001*.

Signed at Perth this 15th day of March 2019.



Allan Kelly
Managing Director

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Riversgold Limited

Report on the Condensed Half-Year Financial Report

Conclusion

We have reviewed the accompanying interim financial report of Riversgold Limited ("the company") which comprises the condensed consolidated statement of financial position as at 31 December 2018, the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory notes, and the directors' declaration, for the Group comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim financial report of Riversgold Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Group's financial position as at 31 December 2018 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Emphasis of matter - material uncertainty related to going concern

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

Directors' responsibility for the interim financial report

The directors of the company are responsible for the preparation of the interim 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 interim financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the interim financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the interim financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2018 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the company, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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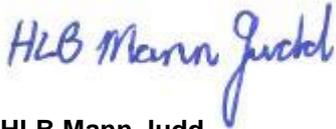
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A review of an interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.



HLB Mann Judd
Chartered Accountants

Perth, Western Australia
15 March 2019



D I Buckley
Partner