



RIVERSGOLD_{LTD}

ABN 64 617 614 598

**Financial Report
For the Half Year Ended 31 December 2021**

Riversgold Ltd
ABN 64 617 614 598

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Riversgold Ltd
ABN 64 617 614 598

Corporate Directory

Directors

David Lenigas (Executive Chairman)
Simon Andrew (Non-Executive Director)
Xavier Braud (Non-Executive Director)

Chief Executive Officer

Julian Ford

Company Secretary

Oonagh Malone

Securities Exchange

Australian Securities Exchange (ASX)
Code: RGL
Home office: Perth

Country of Incorporation and Domicile

Australia

Registered and Business Address

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Subiaco WA 6008
Telephone +61 8 6143 6747
Website: www.riversgold.com.au

Auditor

HLB Mann Judd (WA Partnership)
Level 4, 130 Stirling Street
Perth, Western Australia, 6000

Share Registry

Automic Registry Services
Level 5, 191 St Georges Terrace
Perth, WA, 6000
Telephone 1300 288 664 (within Australia)
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Website: www.automicgroup.com.au

Riversgold Ltd
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Directors' Report

The Directors present the financial statements of Riversgold Ltd (**the Company**) and the entities it controlled (together, **the Group**) for the half year ended 31 December 2021.

Directors

The following persons were directors of Riversgold Ltd for the specified periods during the half year and up to the date of this report:

David Lenigas	(Executive Chairman, appointed 10 March 2022)
Simon Andrew	(Non-Executive Chairman to 10 March 2022, then Non-Executive Director)
Xavier Braud	(Executive Director to 10 March 2022, then Non-Executive Director)
Simon Bolster	(Resigned 10 March 2022)

Company Secretary

Oonagh Malone

Review of Operations

The consolidated loss after income tax for the half year was \$948,833 (31 December 2020: \$313,392). At the end of the half year the Group had \$469,466 (30 June 2021: \$294,434) in cash and at call deposits.

During the half year, the Company:

- Continued focusing on the Kurnalpi Project in the Eastern Goldfields region of Western Australia with:
 - completion of negotiations for in-principal heritage agreements;
 - announcements of gold assay results from previous diamond drilling at the Queen Lapage prospect;
 - applications and granting of additional tenements in the Kurnalpi Project area, including the application for tenement E28/3060 that was won in a successful ballot;
 - comprehensive review of all available historical data; and
 - divestment of Cambodian mineral exploration interests.
- Renegotiated the Alaskan asset sale to receive \$905,841 (\$USD664,900) in cash and \$487,737 (\$USD350,000) in convertible notes from the sale of Alaskan mineral exploration interests during the half year. This is in addition to the \$676,805 (\$USD500,000) received in prior periods for this sale, for a total amount received of \$1,582,646 (\$USD1,164,900) in cash, as well as the convertible notes, 1.5% Royalty and two potential USD\$1,000,000 cash bonus payments.
- Announced the appointment of Chief Executive Officer, Julian Ford. The Company granted and issued 6,000,000 share options to Mr Ford with the following terms:
 - 2,000,000 options with an exercise price of \$0.048 and expiry date of 7 July 2024.
 - 2,000,000 options with an exercise price of \$0.055 and expiry date of 7 July 2024.
 - 2,000,000 options with an exercise price of \$0.074 and expiry date of 7 July 2024.

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Directors' Report

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

Since the end of the half year:

- On 11 January 2022, the Company announced granting of tenement E28/3034 in the Kurnalpi Project following successful negotiation of a heritage agreement.
- On 10 March 2022, the Company announced:
 - The signing of a binding agreement to acquire EV Minerals Pty Ltd, which holds the rights to four mineral exploration tenement applications in the Pilbara region of Western Australia. Proposed consideration for this acquisition is 17,649,059 shares in Riversgold, 158,853,529 milestone shares that will be issued subject to the grant of tenement E45/5721, and the assumption of a 1% net smelter royalty. The issue of the milestone shares is subject to shareholder approval. The vendors of EV Minerals Pty Ltd are unrelated parties of the Company.
 - An intended two tranche placement to raise up to \$1,175,000 (before costs) through the issue of up to 69,117,647 shares at \$0.017 per share. The second tranche, of up to 26,160,377 shares to raise up to \$444,726, is subject to shareholder approval.
 - An intended 1 for 8 non-renounceable rights issue to raise up to \$987,379 (before costs) through the issue of up to 89,081,066 shares (subject to rounding) at \$0.017 per share. This rights issue will be subject to a prospectus.
 - The appointment of new Executive Chairman, David Lenigas, the transition to non-executive directorships of Mr Simon Andrew and Mr Xavier Braud, and the resignation of Mr Simon Bolster. Mr Lenigas will receive an annual salary of \$120,000 and, pending shareholder approval, 20,000,000 share options with an exercise price of \$0.05 expiring three years from the date of issue.

Apart from the above, there has not arisen in the interval between the end of the half-year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial periods.

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 16th day of March 2022.


David Lenigas
Executive Chairman

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the consolidated financial report of Riversgold Ltd for the half-year ended 31 December 2021, 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
16 March 2022



N G Neill
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 2021

	Note	Consolidated	
		31 December 2021	31 December 2020
		\$	\$
			Restated *
Continuing operations			
Interest revenue	3	6	949
Other income		-	22,500
Employee and director expenses	3	(170,348)	(148,188)
Share-based payments expense	10	(468,344)	(225,939)
Corporate expenses		(61,530)	(101,369)
Administration and other expenses*	3	(217,641)	(150,532)
Depreciation expense		(23,156)	(29,575)
Exploration costs expensed and written off	3	(4,934)	(22,930)
Financing costs	3	(2,886)	(2,104)
Loss before income tax		(948,833)	(657,188)
Income tax expense		-	-
Loss after tax from continuing operations		(948,833)	(657,188)
Gain after tax from discontinued operation	6	-	343,796
Loss for the half year		(948,833)	(313,392)
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		43,480	(295,342)
Total comprehensive loss for the period		(905,353)	(608,734)
		Cents	Cents
Basic and Diluted loss per share from continuing operations		(0.235)	(0.196)
Basic and Diluted loss per share		(0.235)	(0.093)

* The comparatives have been restated for reclassification of Afranex (Alaska) Limited to held for sale, and a discontinued operation, which occurred during the year ended 30 June 2021.

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 2021

	Note	Consolidated	
		31 December 2021 \$	30 June 2021 \$
Current assets			
Cash and cash equivalents		469,466	294,434
Trade and other receivables	4	5,390	198,450
Other current financial assets	5	484,267	-
Other current assets		30,624	9,617
Assets of disposal group	6	2,083,864	2,011,242
Total current assets		3,073,611	2,513,743
Non-current assets			
Property, plant and equipment		7,891	20,066
Right of use asset		-	11,283
Capitalised Exploration and evaluation expenditure	7	4,935,580	4,678,755
Total non-current assets		4,943,471	4,710,104
Total assets		8,017,082	7,223,847
Current liabilities			
Trade and other payables	8	425,253	611,963
Employee leave liabilities		16,722	7,931
Lease liability		-	14,556
Liabilities of disposal group	6	2,087,789	665,070
Total current liabilities		2,529,764	1,299,520
Total liabilities		2,529,764	1,299,520
Net assets		5,487,318	5,924,327
Equity			
Issued capital	9	16,940,626	16,940,626
Accumulated losses		(15,554,989)	(14,606,156)
Reserves	11	4,101,681	3,589,857
Total equity		5,487,318	5,924,327

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 2021

	Consolidated				
	Issued capital \$	Accumulated losses \$	Share based payment reserve \$	Foreign currency translation reserve \$	Total \$
At 1 July 2020	15,716,278	(12,972,005)	2,935,423	237,605	5,917,301
Loss for the period	-	(313,392)	-	-	(313,392)
Other comprehensive loss	-	-	-	(295,342)	(295,342)
Total comprehensive loss	-	(313,392)	-	(295,342)	(608,734)
Transactions with equity holders in their capacity as equity holders:					
Securities issued	971,028	-	-	-	971,028
Share issue costs	(11,655)	-	-	-	(11,655)
Share based payments	-	-	225,939	-	225,939
Balance at 31 December 2020	16,675,651	(13,285,397)	3,161,362	(57,737)	6,493,879
At 1 July 2021	16,940,626	(14,606,156)	3,595,312	(5,455)	5,924,327
Loss for the period	-	(948,833)	-	-	(948,833)
Other comprehensive income	-	-	-	43,480	43,480
Total comprehensive (loss)/ income	-	(948,833)	-	43,480	(905,353)
Transactions with equity holders in their capacity as equity holders:					
Share based payments	-	-	468,344	-	468,344
Balance at 31 December 2021	16,940,626	(15,554,989)	4,063,656	38,025	5,487,318

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 2021

	Note	Consolidated	
		31 December 2020 \$	31 December 2019 \$
Cash flows from operating activities			
Payments to suppliers and employees		(144,024)	(356,561)
Interest received		6	949
Other income		-	25,000
Interest paid		(254)	(948)
Net cash used in operating activities		(144,272)	(331,560)
Cash flows from investing activities			
Payments for exploration and evaluation		(580,106)	(436,774)
Proceeds from disposal of mineral exploration interests	6	905,841	314,974
Net cash provided by/ (used in) investing activities		325,735	(121,800)
Cash flows from financing activities			
Proceeds from the issue of shares		-	801,471
Payments for share issue costs		-	(11,655)
Reduction in finance lease liabilities		(7,277)	(10,128)
Net cash (used in)/ provided by financing activities		(7,277)	779,688
Net increase in cash held		174,186	326,328
Cash at the beginning of the financial period		294,434	1,278,101
Effect of exchange rate fluctuations on cash held		846	(79)
Cash at the end of the financial period		469,466	1,604,350

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 2021

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 ('the Company') and its subsidiaries (together referred to as '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 Group 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 2021 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 16th March 2022.

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 a for-profit entity domiciled in Australia and all amounts are presented in Australian dollars.

Accounting policies and methods of computation

The same accounting policies and methods of computation have been followed in these interim financial statements as compared with the most recent annual financial statements, except for the adoption of new Accounting Standards as set out below. 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. Comparative balances for the half year ended 31 December 2020 have been revised to reflect recognition of the disposal group disclosed in note 6.

Adoption of new and revised Accounting Standards

Standards and Interpretations applicable to 31 December 2021

In the period ended 31 December 2021, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Group and effective for the current annual reporting period. As a result of this review, the Directors have determined that there is no material impact of the new and revised Standards and Interpretations on the Group.

Standards and interpretations in issue not yet effective

The directors have also reviewed all of the new and revised standards and interpretations in issue not yet effective for the half-year ended 31 December 2021.

As a result of this review, the directors have determined that there will be no material impact of these standards and interpretations on the Group and, therefore, no change is necessary to Group accounting policies.

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Notes to the Condensed Consolidated Financial Statements
For the half year ended 31 December 2021

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.

For the six months ended 31 December 2021, the Group had an operating loss of \$948,833 and had net operating cash outflows of \$144,272. The Group has cash of \$469,466 as at 31 December 2021 and net current assets of \$543,847 at 31 December 2021.

The ability of the Group to continue as a going concern depends on future successful capital raisings, realisation of the convertible notes, the successful exploration and subsequent exploitation of the Group's tenements and/or sale of non-core assets.

The directors are of the opinion that the Group is a going concern as the Group expects to have more funds available than expected to be required for committed and required expenditure over the following year, and has the ability to scale back discretionary expenditure pending the timing of future capital raisings. If shareholders approve the EV Minerals Pty Ltd acquisition and capital raisings described in note 14, the maximum raised funds of \$2,162,379 (before costs) is more than sufficient for budgeted expenditure for the next 12 months, should the Company be able to successfully raise the funds.

Should the Group not receive expected value from realisation of the convertible note, or not raise further funds as required or reduce expenditure to meet funds available, there exists a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern, in which case it may be required to realise its assets and extinguish its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements. This financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts or classification of liabilities and appropriate disclosures that may be necessary should the Group be unable to continue as a going concern.

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 2021, with the exception of valuations of share-based payments and the convertible note. Refer to Notes 5 and 10 for further details.

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 loss information and certain asset and liability information regarding operating segments for the half year ended 31 December 2021.

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Notes to the Condensed Consolidated Financial Statements
For the half year ended 31 December 2021

Note 2 Segment information (continued)

6 months ended December 2021

	Australia \$	Discontinued operation (Alaska) \$	Cambodia \$	Consolidated \$
Interest income	6	-	-	6
Segment income	6	-	-	6
Gain from discontinued operation	-	-	-	-
Segment gain/ (loss) before income tax expense	(936,522)	-	(12,311)	(948,833)
Segment assets	5,933,218	2,083,864	-	8,017,082
Segment liabilities	(435,291)	(2,087,789)	(6,684)	(2,529,764)

6 months ended December 2020

	Australia \$	Discontinued operation (Alaska) \$	Cambodia \$	Consolidated \$
Interest income	949	-	-	949
Other income	22,500	-	-	22,500
Segment income	23,449	-	-	23,449
Gain from discontinued operation	-	343,796	-	343,796
Segment gain/ (loss) before income tax expense	(657,188)	343,796	-	(313,392)
Segment assets	4,709,983	1,963,184	10	6,673,177
Segment liabilities	(179,298)	-	-	(179,298)

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Notes to the Condensed Consolidated Financial Statements
For the half year ended 31 December 2021

	Consolidated	
	31 December 2021 \$	31 December 2020 \$

Note 3 Revenue and expenses

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

Revenue

Interest income	6	949
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Employee Expenses

Salaries and wages	73,462	28,708
Directors' Fees	65,000	97,083
Superannuation	7,346	5,240
Other employee costs	24,540	17,157

Net employee expenses	170,348	148,188
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Administration and other expenses:

Insurance	20,604	14,020
Legal fees	79,574	81,013
Accountancy	86,196	12,100
Other expenses	31,267	43,399
	217,641	150,532

Exploration costs expensed and written off:

Unallocated exploration costs	1,545	-
Exploration costs written off (see note 7)	3,389	22,930
	4,934	22,930

Financing costs:

Interest expense	242	948
Decrease in value of convertible note (see note 5)	3,470	-
Other foreign exchange movements	(826)	1,156
	2,886	2,104

	Consolidated	
	31 December 2021 \$	30 June 2021 \$

Note 4 Current assets – Trade and other receivables

GST receivable	3,479	196,418
Trade debtors	1,911	2,032
	5,390	198,450

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Notes to the Condensed Consolidated Financial Statements
For the half year ended 31 December 2021

	Consolidated	
	31 December 2021	30 June 2021
	\$	\$

Note 5 Current financial assets

Convertible note acquired on 13 December 2021 (see note 6)	487,737	-
Accrued interest receivable on convertible note	1,907	-
Foreign exchange movement	(5,377)	-
Balance at the end of the period	484,267	-

The Group acquired 350,000 convertible notes in private company Mamba Minerals LLC (Mamba) at \$US1 per convertible note for a total value of \$USD350,000 or \$AUD487,737 on 13 December 2021. These notes:

- Are denominated and valued in United States Dollars (USD).
- Convert at the sole election of the Group into shares in Mamba at a share price of \$USD0.025 per share.
- Have an annual interest rate of 8% per annum with interest calculated daily.
- Are to be converted to shares in Mamba or redeemed with payment in cash by 13 June 2022.
- Are secured against the remaining sale of US subsidiary Afranex (Alaska) Limited, as disclosed in note 6, with completion of the Afranex sale contingent on the conversion or redemption of the notes.

These notes were valued at their face value on 13 December 2021 of \$USD350,000 or \$AUD487,737, calculated with an AUD:USD FX rate of 0.7175, because no value has been ascribed to the conversion feature. This nil value is based on valuing the conversion feature as an option to acquire shares on conversion using the Black-Scholes model with the following parameters:

- An exercise price of \$USD0.025 per share, with Black-Scholes valuation performed in USD.
- A discount on the value per share at acquisition of 60% to reflect the non-marketability and lack of control of potential shares in a private company.
- An expected volatility of 30%.
- A risk-free interest rate for valuation purposes of 0.11%.
- An issue date of 13 December 2021 and expected expiry date of 13 June 2022.

These notes were valued at \$USD351,383 or \$AUD484,267 on 31 December 2021, calculated with an AUD:USD FX rate of 0.7256 and no value ascribed to the conversion feature using the same parameters as above. The decrease in value from 13 December 2021 to 31 December 2021 of \$AUD3,470 is due to interest receivable recognised of \$AUD1,907 before a foreign exchange loss of (\$AUD5,377). These movements are included in the balance of Financing costs as disclosed in note 3.

No allowance has been made for credit risk because these notes are effectively secured against the Afranex project for which the counterparty has already paid \$USD 1,164,900 or \$AUD1,582,646.

Increasing or decreasing the 31 December 2021 AUD:USD FX rate of 0.7256 by 100 points to 0.7356 or 0.7156 would change the 31 December 2021 value of these notes from \$AUD484,267 to \$AUD477,683 or \$AUD491,033 respectively, for an additional (decrease) or increase in value of (\$AUD6,584) or \$AUD6,766 respectively.

These notes have been valued as tier 3 financial assets, the lowest level of the fair value hierarchy disclosed in note 1(u) of the 30 June 2021 financial report, because the valuation model for the conversion feature is not based on observable market data.

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Notes to the Condensed Consolidated Financial Statements
For the half year ended 31 December 2021

Note 6 Sale of Alaskan interests and recognition of disposal group

The Group agreed to sell its US subsidiary Afranex (Alaska) Limited, which holds all US assets and related liabilities, on 12 April 2021. This met the recognition criteria for a disposal group.

The previous farm out agreement was terminated by this sale agreement. Receipts of \$USD290,000 received under the previous farm out agreement form part of the new share sale agreement's sale consideration, hence this revenue that was previously recognised in the 31 December 2020 interim financial statements was reclassified at 30 June 2021 to unearned revenue in disposal group's assets and liabilities as the sale was not complete at 30 June 2021. Comparative balances for the half year ended 31 December 2020 have been revised to reflect this.

The assets of the disposal group, which consist solely of capitalised tenement acquisition costs and mineral exploration expenditure have a net carrying amount of \$AUD2,083,864 (2021: \$AUD2,011,242), and are not impaired because the expected sale proceeds of \$USD1,514,900 or \$AUD2,087,789 plus future contingent payments are in excess of the carrying amount of the assets.

The \$USD1,514,900 (\$AUD2,087,789) received to 31 December 2021 (30 June 2021: \$USD500,000 or \$AUD665,070) is recognised as a liability because it would be refundable if the Group withdraws from the sale for reasons other than redemption or conversion (at the Company's election) of the convertible notes. This \$USD1,514,900 (\$AUD2,087,789) includes the convertible notes disclosed in note 5 because completion of the sale requires redemption or conversion of the convertible notes.

The 12 April 2021 sale agreement had the following payment terms:

- \$USD290,000 already received under the terminated farm out agreement;
- \$USD60,000 that was received on 12 April 2021;
- \$USD150,000 receivable by 21 April 2021 that was received on 22 April 2021;
- \$USD500,000 receivable by 21 June 2021 (amended to \$USD250,000 by 20 July 2021 and \$USD300,000 by 31 August 2021 – only \$USD400,000 of these amounts were received by 31 August);
- \$USD500,000 receivable by 20 August 2021
- Completion not occurring until all above payments had been made, with no transfer of until all payments had been received;
- The Group being able to keep all funds received to date and terminate this agreement if any instalment is more than five business days overdue.
- Payment of the instalments guaranteed by Australian entity Clutch Group Pty Ltd.
- An uncapped gross revenue royalty of 1.5% on all minerals produced from the Alaskan tenements;
- \$USD1,000,000 payable on the definition of an inferred mineral resource of 500,000 oz Au; and
- \$USD1,000,000 payable on the definition of an inferred mineral resource of 1,000,000 oz Au.

Following delayed payments, the payment schedule was repeatedly revised and the convertible notes disclosed in note 5 were included in the required payments. Following these revisions, a total of \$USD664,900 or \$AUD905,841 (using exchange rates at dates that funds were received in the Group's bank accounts) was received during the year, for a total amount received since May 2020 of \$USD1,164,900 or \$AUD1,582,645, plus the outstanding convertible notes disclosed in note 5. The revisions had no effect on the 1.5% royalty or \$USD1,000,000 contingent bonus payments.

No impairment for potential non-payment has been recognised at 31 December 2021 because the only remaining effective payment is conversion (at the Company's election) or redemption of the convertible notes. This is considered highly likely because the potential retention of the full project on non-payment on redemption would lead to the Group keeping the full project with no refund of payments received to date.

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Notes to the Condensed Consolidated Financial Statements
For the half year ended 31 December 2021

Note 6 Sale of Alaskan interests and recognition of disposal group (continued)

	Consolidated	
	31 December 2021	30 June 2021
	\$	\$
<i><u>Financial position of disposal group</u></i>		
Assets		
Capitalised mineral exploration interests on recognition of disposal group or beginning of period	2,011,242	1,988,648
Foreign exchange revaluation	72,622	22,594
Total Assets	2,083,864	2,011,242
Liabilities		
Funds of \$USD500,000 received in advance for the sale in 2020 and 2021	665,070	665,070
Funds of \$USD664,900 received in Group's bank accounts during the period	905,841	-
Value of \$USD350,000 in convertible notes on issue date of 13 December 2021	487,737	-
Foreign exchange revaluation	29,141	-
Total Liabilities	2,087,789	665,070
NET ASSETS	1,346,172	1,346,172
<i><u>Financial performance</u></i>		
Administration and other expenses	-	-
Loss after income tax	-	-
<i><u>Cash flow information</u></i>		
Net cash outflows from operating activities	-	-
Net cash inflows from investing activities	905,841	592,457
Net cash flows from financing activities	-	-
Total cash inflows/ (outflows)	905,841	592,457

Foreign currency translation movements are not separately recognised for the disposal group until the disposal group is derecognised on loss of control.

Although the value of the disposal group is being realised in \$USD, and the funds received in advance are denominated in \$USD, these are not considered financial instruments by relevant accounting standards. The convertible notes are not included in the disposal group because they are held directly by the Company and consequently not part of the component of the entity that is classified as held for sale.

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Notes to the Condensed Consolidated Financial Statements
For the half year ended 31 December 2021

	Consolidated	
	Half year to 31 December 2021	Year to 30 June 2021
	\$	\$

Note 7 Capitalised Exploration and acquisition costs

Balance at the beginning of the period	4,678,755	4,853,257
<i>Movements during the period:</i>		
Exploration expenditure incurred	260,214	2,041,073
Effect of movement in USD:AUD exchange rates	-	(181,403)
Recognition of disposal group	-	(2,011,242)
Capitalised costs written off during the period	(3,389)	(22,930)
Balance at the end of the period	4,935,580	4,678,755

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.

	Consolidated	
	31 December 2021	30 June 2021
	\$	\$

Note 8 Current liabilities – Trade and other payables

Trade and other payables	375,981	474,921
Accrued expenses	42,000	109,000
Employment related payables	7,272	28,042
	425,253	611,963

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Notes to the Condensed Consolidated Financial Statements
For the half year ended 31 December 2021

Note 9 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	Half year to 31 December 2021		Year to 30 June 2021	
		Number	\$	Number	\$

b) Share capital

Issued share capital	404,042,196	16,940,626	404,042,196	16,940,626
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c) Share movements during the period

Balance at the start of the period		404,042,196	16,940,626	312,775,951	15,716,278
Shares issued under a Share Placement	\$0.011	-	-	73,795,947	811,755
Issue of shares on exercise of options	\$0.03	-	-	12,720,298	381,609
Issue of shares on exercise of options	\$0.001	-	-	4,000,000	4,000
Issue of shares in consideration for option to acquire tenements	\$0.06	-	-	750,000	45,000
Less share issue costs		-	-	-	(18,016)
Balance at the end of the financial period		404,042,196	16,940,626	404,042,196	16,940,626

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Notes to the Condensed Consolidated Financial Statements
For the half year ended 31 December 2021

Note 10 Options and share based payments

A net total of \$468,344 (31 December 2020: \$225,939) was recognised and expensed during the half-year for the following share-based payments:

- \$1,717 for Tranche 1 of Mr Andrew's Options issued during 2020. These options vested during the half year.
- \$312,041 for expensing of Quarterback performance rights over the expected vesting period as described in note 10d).
- A total of \$140,680 for the Employee options issued to granted to Mr Ford as described in note 10a).
- \$13,906 for expensing of Employee performance rights over the expected vesting period as described in note 10d).

a) Options Issued during the period

- 6,000,000 share options were issued and granted to new Chief Executive Officer, Julian Ford, on 7 July 2021. These options were issued with no vesting conditions and expire on 7 July 2024. 2,000,000 of these options have an exercise price of \$0.048, 2,000,000 of these options have an exercise price of \$0.055, and 2,000,000 of these options have an exercise price of \$0.074. These options have all been valued as at the grant date of 7 July 2021 and expensed immediately as they vested on issue.

These options are valued with the Black-Scholes formula, using the following parameters, with no expected dividends, and no discounts for other factors.

Recipient	Measurement date	Expiry date	Exercise Price	Number of Options	Share Price at measurement date	volatility	interest rate	value per Option	Value of tranche
Mr Ford	7/07/21	7/07/24	\$0.048	2,000,000	\$0.036	125%	0.21%	\$0.02450	\$49,000
Mr Ford	7/07/21	7/07/24	\$0.055	2,000,000	\$0.036	125%	0.21%	\$0.02376	\$47,520
Mr Ford	7/07/21	7/07/24	\$0.074	2,000,000	\$0.036	125%	0.21%	\$0.02208	\$44,160

b) Options exercised and on issue

No options were exercised during the half year

The following were the only options that lapsed, expired or became un-exercisable during the half-year:

- 4,000,000 options with an exercise price of \$0.001 and former expiry date of 4 December 2022 ceased on 21 December 2021. These options were issued to now former directors during 2020 who resigned before these options vested.

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Notes to the Condensed Consolidated Financial Statements
For the half year ended 31 December 2021

Note 10 Options and share based payments (continued)

c) Options outstanding at balance date

The number of options outstanding over unissued ordinary shares at 31 December 2021 is 102,058,792 (30 June 2021: 100,058,798). The terms of these options are as follows:

Date Granted or issued	Number	Exercise price	Expiry date
15 May 2017	3,000,000	20 cents	15 May 2022
1 March 2019	120,000	9 cents	28 February 2023
28 November 2019	10,000,000	0.1 cents	4 December 2022
12 August 2020	56,938,792	3 cents	12 August 2023
12 August 2020	10,000,000	3 cents	12 August 2023
12 August 2020	2,000,000	4.9 cents	12 August 2023
12 August 2020	2,000,000	5.7 cents	12 August 2023
12 August 2020	2,000,000	7.6 cents	12 August 2023
12 August 2020	2,000,000	7 cents	12 August 2023
12 August 2020	2,000,000	8.1 cents	12 August 2023
12 August 2020	2,000,000	10.8 cents	12 August 2023
5 February 2021	1,000,000	8 cents	5 February 2024
8 March 2021	3,000,000	8.1 cents	12 August 2023
7 July 2021	2,000,000	4.8 cents	7 July 2024
7 July 2021	2,000,000	5.5 cents	7 July 2024
7 July 2021	2,000,000	7.4 cents	7 July 2024
Total	102,058,792		

d) Performance rights

Quarterback Performance Rights

Shareholders granted approval on 6 August 2020 for the issue of 50,000,000 performance rights to Quarterback Geological Consultants Pty Ltd ("**Quarterback**") as consideration for geological strategy and consultancy services to be provided. The Quarterback Performance Rights will convert into shares on a one for one basis on achievement of the following milestones, or lapse if performance milestones are not met within 5 years of the commencement date:

Class	Performance Rights Award	Performance Milestone
Class A	25,000,000	The Company makes an announcement, resulting from Quarterback's performance of the identifying Services, of a JORC inferred resource of 250koz of gold or gold equivalent, in relation to a Qualifying Project, on the ASX announcements platform on or before the Expiry Date
Class B	25,000,000	The Company makes an announcement, resulting from Quarterback's performance of the identifying Services, of a JORC inferred resource of 500koz of gold or gold equivalent, in relation to a Qualifying Project, on the ASX announcements platform on or before the Expiry Date

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Notes to the Condensed Consolidated Financial Statements
For the half year ended 31 December 2021

Note 10 Options and share based payments (continued)

These performance rights were valued at the grant date share price of \$0.06 each for a total value of \$3,000,000. The value of these performance rights is being expensed over the expected vesting period from 13 August 2020 to 17 June 2025 with \$312,041 (31 December 2021: \$237,422) recognised as an expense during the half year.

Employee Performance Rights

The Company granted 3,000,000 performance rights to an employee on 5 February 2021. The Employee Performance Rights will convert into shares on a one for one basis on achievement of the following milestones, or lapse if performance milestones are not met by the expiry dates:

Class	Performance Rights Award	Performance Milestone
Class A	1,500,000	Announcement of a JORC inferred resource of 250koz Au or equivalent on or before the Expiry Date of 5 February 2026
Class B	1,500,000	Announcement of a JORC inferred resource of 500koz Au or equivalent on or before the Expiry Date of 5 February 2026

These performance rights were valued at \$0.046 each for a total value of \$138,000. The value of these performance rights is being expensed over the expected vesting period from 5 February 2021 to 5 February 2026 with \$13,906 (31 December 2021: nil) recognised as an expense during the half year.

	Consolidated			
	31 December 2021		30 June 2021	
	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	(5,455)	3,595,312	237,605	2,935,423
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Movements during the period:

Movement in foreign translation reserve in respect of exchange rate	43,480	-	(243,060)	-
Movement in share based payment reserve in respect of share based payments	-	468,344	-	659,889

Balance at the end of the period	38,025	4,063,656	(5,455)	3,595,312
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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 share based payments. See Note 10 for further information on share based payments.

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Notes to the Condensed Consolidated Financial Statements
For the half year ended 31 December 2021

Note 12 Dividends

No dividends were paid or proposed during the period.

The Company has no franking credits available as at 31 December 2021.

Note 13 Contingent Liabilities and Contingent Assets

The Company was notified of objections to expenditure exemptions and applications for forfeiture on several tenements during the prior year. The objections will be heard in the Wardens Court in April 2022. The Company will vigorously defend these complaints and has received legal advice that it has strong grounds for its granted exemptions to be upheld by the Warden.

There has been no change in other contingent liabilities or contingent assets noted in the annual report for the year ended 30 June 2021.

Note 14 Events occurring after the balance date

Since the end of the half year:

- On 11 January 2022, the Company announced granting of tenement E28/3034 in the Kurnalpi Project following successful negotiation of a heritage agreement.
- On 10 March 2022, the Company announced:
 - The signing of a binding agreement to acquire EV Minerals Pty Ltd, which holds the rights to four mineral exploration tenement applications in the Pilbara region of Western Australia. Proposed consideration for this acquisition is 17,649,059 shares in Riversgold, 158,853,529 milestone shares that will become ordinary shares on the grant of tenement E45/5721, and the assumption of a 1% net smelter royalty. The issue of the milestone shares is be subject to shareholder approval. The vendors of EV Minerals Pty Ltd are unrelated parties of the Company.
 - An intended two tranche placement to raise up to \$1,175,000 (before costs) through the issue of up to 69,117,647 shares at \$0.017 per share. The second tranche, of up to 26,160,377 shares to raise up to \$444,726 is subject to shareholder approval.
 - An intended 1 for 8 non-renounceable rights issue to raise up to \$987,379 (before costs) through the issue of up to 89,081,066 shares (subject to rounding) at \$0.017 per share. This rights issue will be subject to a prospectus.
 - The appointment of new Executive Chairman, David Lenigas, the transition to non-executive directorships of Mr Simon Andrew and Mr Xavier Braud, and the resignation of Mr Simon Bolster. Mr Lenigas will receive an annual salary of \$120,000 and, pending shareholder approval, 20,000,000 share options with an exercise price of \$0.05 expiring three years from the date of issue.

Apart from the above, there has not arisen in the interval between the end of the half-year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial periods.

Note 15: Financial Instruments

The Directors consider that the carrying value of the financial assets and liabilities as recognised in the financial statements approximate their fair values.

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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 2021 and of the performance for the half-year ended on that date of the Group.
- (b) there are reasonable grounds to believe that the Company 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 16th day of March 2022.



David Lenigas
Executive Chairman

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 half-year financial report of Riversgold Ltd ("the company") which comprises the condensed consolidated statement of financial position as at 31 December 2021, 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 information, and the directors' declaration, for the consolidated entity 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 half-year financial report of Riversgold Limited does not comply with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2021 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*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's responsibilities for the review of the financial report* section of our report. We are independent of the company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Material uncertainty related to going concern

We draw attention to Note 1 in the 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.

Responsibility of the directors for the financial report

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

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Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the consolidated entity's financial position as at 31 December 2021 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*.

A review of a half-year 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
16 March 2022



N G Neill
Partner