

TODD RIVER SECURES CORNERSTONE INVESTMENT FROM S2 RESOURCES AS PART OF \$4.9M CAPITAL RAISING TO ADVANCE MT HARDY

Proceeds to underpin accelerated drilling program at emerging Mt Hardy zinc-copper discovery; S2 Resources to invest via strategic placement at 13% premium

Highlights:

- **Todd River raises ~A\$4.9M to underpin a significantly expanded exploration campaign at the Mt Hardy Zinc-Copper Project, NT:**
 - **Commitments received to raise A\$2.9M via the placement of 35.7 million Shortfall shares from the recent Entitlement Issue; and**
 - **Cornerstone investment from S2 Resources (ASX: S2R) to raise an additional A\$2.0M through the placement of a further 21.3 million shares at a price of A\$0.094 (a 13% premium to last close), which will see S2 emerge with a 19.99% stake in Todd River.**
- **Will Dix to transition from Chief Executive Officer to Managing Director.**
- **S2R's Managing Director, highly respected geologist and mining executive, Dr Mark Bennett will join the Todd River Board.**
- **Proceeds will underpin the 2019 exploration program at the 100%-owned Mt Hardy Zinc-Copper Project. This will focus on the continued expansion of the high-grade base metal mineralisation delineated at the EM1 Prospect and to test other targets adjacent to and surrounding EM1.**
- **Step-out diamond drilling is continuing at the EM1 Prospect with two rigs operating.**

Todd River Resources Limited (ASX: TRT; “**Todd River**” or “the **Company**”) is pleased to announce that it has secured a cornerstone 19.99% investment from S2 Resources (ASX: S2R) as part of a landmark capital raising of A\$4.9 million (before costs) to accelerate drilling at its Mt Hardy zinc-copper discovery in the Northern Territory.

The Company has received commitments to undertake the capital raising through the combination of a placement of new fully-paid ordinary shares at an issue price of A\$0.08 per share, representing the shortfall of 35,711,008 shares from the recent non-renounceable entitlement issue (**Shortfall Placement**), and a further Placement of 21,346,800 million fully-paid ordinary shares at an issue price of A\$0.094 per share to ASX-listed S2R Resources (ASX: S2R) (**Strategic Placement**), together the **Capital Raising**.



The Company does not require Shareholder approval to complete the Capital Raising as the new Shortfall Placement shares will be issued under Exception 3 to ASX Listing Rule 7.2 and the Strategic Placement Shares will be issued using the Company's existing listing rule 7.1 and 7.1A capacity. The placement offer price of A\$0.094 per share meets the requirements of LR 7.1A.3, being greater than 75% of the 15-day VWAP. It is anticipated that the Capital Raising will complete by Friday 30 November 2018.

S2R will take up 8,927,700 of the Shortfall Placement shares in addition to the Strategic Placement shares and, as a result, will emerge with a 19.99% cornerstone shareholding in Todd River Resources.

Under the terms of a subscription agreement, S2R is to have the right to appoint a nominee to the TRT Board. S2R also has the option (subject to the receipt of an ASX waiver) to participate in future share and other equity security issues in TRT (other than under employee incentive arrangements) so as to be able to maintain its percentage shareholding in the Company. These board appointment and capital participation rights will continue to apply for so long as S2R's shareholding in Todd River is at least 7.5%. The subscription agreement also contains other customary terms including certain representations and warranties from both TRT and S2R.

Once the capital raising is completed, S2R's Managing Director, respected geologist and mining executive Dr Mark Bennett, will join the Todd River board as a non-executive Director and the Company's Chief Executive Officer Will Dix will also join the Board as Managing Director.

The agreement between Todd River and S2R will result in the creation of an important strategic partnership between the companies where the technical skill-sets and experience of the S2R team in base metals exploration and resource drill-outs (most recently at the world-class Nova-Bollinger nickel-copper discovery in WA) will complement those of Todd River.

The Company's Corporate Advisor, Hartleys Limited, acted as Lead Manager to the Capital Raising.

Todd River also proposes to formally launch a wrap-up of unmarketable parcels of shares (in accordance with the provisions in TRT's constitution) immediately upon the completion of the Shortfall Placement with Shareholders of unmarketable parcels to be contacted within the next few weeks.

Use of Funds

Funds raised pursuant to the Placements will be used to underpin the Company's 2019 exploration program at the Mt Hardy Project, where the significant high-grade base metals discovery at EM1 continues to grow. The Company recently announced an intersection of 35.54m @ 14.7% Zn, 2.92% Pb, 0.91% Cu and 59 g/t Ag from 431.54m down-hole, including 11.29m @ 22.9% Zn, 3.35% Pb, 1.00% Cu and 58g/t Ag from the deepest and most northerly hole drilled at the Prospect to date.

In addition, new targets across the Mt Hardy Program will be further investigated through a combination of geophysics and first pass drilling.

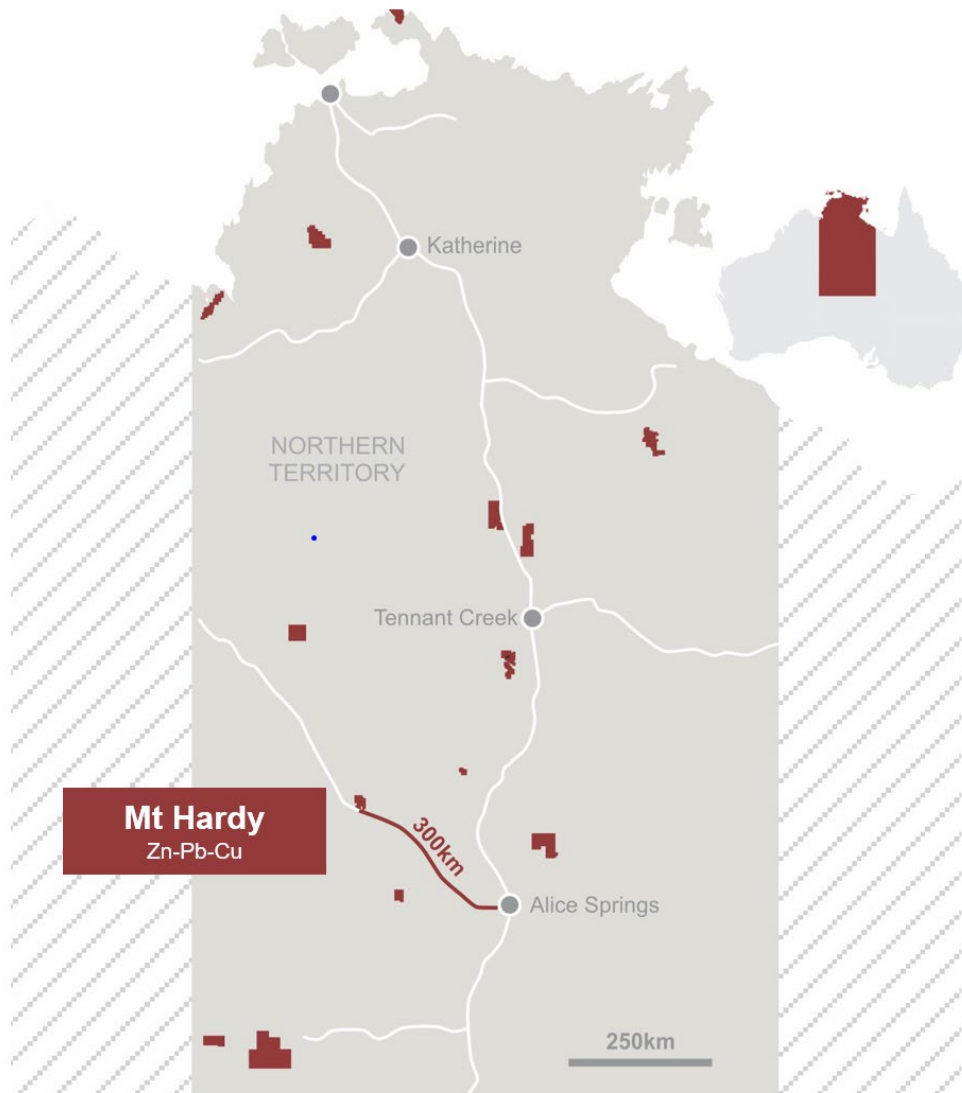


Figure 1 – Location of the Mount Hardy Copper-Zinc Project.

Todd River's Chief Executive Officer, Will Dix, said the overwhelming response to the Shortfall Placement reflected both the excellent exploration results generated at the Mt Hardy Project to date and the introduction of a high-quality strategic investor in S2 Resources.

"We are delighted with the overwhelming level of investor support for the Shortfall Placement, and we are pleased to welcome S2 Resources as a cornerstone shareholder. I believe this reflects the start of an exciting new chapter of growth for the Company, and an opportunity to work closely with the highly-regarded technical team at S2 to unlock the full value of the Mt Hardy zinc-copper discovery for our shareholders."



"I would like to thank the investors who participated in the Shortfall Placement and would also like to thank Hartleys for their support.

"I would also like to welcome Mark Bennett to the Board of Todd River Resources. Having previously worked with Mark for over 10 years at LionOre, I am excited about what he will bring to the Company from a technical, corporate and financial markets perspective and greatly look forward to his involvement both as a Director and as a technical sounding board.

"While the 2018 drilling and geophysical program continues and will progress until mid-December, the 2019 exploration campaign is already shaping up as one that shareholders should genuinely be excited about. The Company is now fully funded to execute our plans at EM1 and across Mt Hardy as well as at other select high-priority targets and I look forward to a constant flow of exploration news over the next 12 months."

Will Dix, CEO – Todd River Resources

Enquiries:

Will Dix, CEO + 61 (0) 8 9327 0950

Nicholas Read
Read Corporate + 61 (0) 8 9388 1474

Competent Person Statements

The information in this announcement that relates to exploration results is extracted from the ASX announcement titled "Exceptional High-Grade Intercept from Deepest Hole to Date at Mt Hardy" which is available to view at www.trrltd.com.au and www.asx.com.au. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

About Todd River Resources

Todd River Resources (ASX: TRT) is an Australian-based resources company that holds a large, highly prospective zinc and base metals exploration portfolio in the Northern Territory. The Company was formerly a subsidiary of ASX-listed strategic metals company TNG Ltd (ASX: TNG), and was spun-out of TNG in 2016 to advance and develop TNG's significant portfolio of non-core base metals assets.

With a strong management team and tight capital structure, Todd River is well placed to pursue exploration activities across its exploration portfolio, which are aimed at establishing the Company as a leading force in Australian zinc exploration and development.

Todd River's extensive base metal portfolio includes the large Manbarrum Zinc Project, the Mount Hardy Copper-Zinc Project, the Stokes Yard Zinc Project and the McArthur Copper-Zinc project, as well as a number of other exploration projects covering base metals and other commodities.