



TODD RIVER RESOURCES

ANNUAL REPORT

2020

ABN: 45 600 308 398

Todd River Resources Corporate Directory

DIRECTORS

Edward Fry	(Chairman)
William Dix	(Managing Director)
Mark Bennett	(Non-Executive Director)
Geoffrey Crow	(Non-Executive Director)
Ian Murray	(Non-Executive Director)
Darren Holden	(Alternate Director for Ian Murray)

COMPANY SECRETARY

Simon Robertson

REGISTERED OFFICE

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Perth WA 6000

DOMESTIC STOCK EXCHANGE

Australian Securities Exchange (ASX)
Code: TRT

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Todd River Resources Limited

Chairman's Review

Dear Shareholders,

Since we floated the Company on the ASX in April 2017 our exploration strategy has been to prioritise our projects, driven by the awareness that supply of base metals, such as copper, zinc and nickel are key requirements for use in infrastructure projects around the world, providing exciting new opportunities for your Company. Domestically the Australian Government has announced significant infrastructure stimulus packages that fits well with our outlook for Base Metals.

The COVID-19 pandemic has impacted the global and domestic economy that has required my fellow board of directors and our management led by our Managing Director, Will Dix, to reconfigure our activities to ensure that we remain a viable going concern. Prudent fiscal and operational decisions have been made to realize our ongoing business of mineral resource exploration consistent with our strategy.

Our reconfiguration of your company also included successful corporate activities that have acquired base metal projects covering over 1,000Km² of highly prospective geology in Western Australia via the Marlee Base Metals Pty Ltd and MoonKnight Pty Ltd transactions as reported on the ASX. Added to the existing inventory your company now holds the rights to exploration of approximately 7,500Km² in both the Northern Territory and Western Australia. This corporate undertaking by your board and Managing Director has also seen the on boarding of Mr Ian Murray as a new Non-executive Director who brings to us a wealth of experience and proven success in this sector and I ask that you join with us and warmly welcome Ian to the team.

Our ability to attract investors and the strengthening of our talent pool at Board and Management level prepares your company to navigate its way through the many challenges ahead of us. This has been an initiative that has been top of mind with the Board of Directors over the past 12 months and I take the time to thank all involved in the repositioning of your company.

Your company's outlook as a result of the corporate acquisitions necessitated the decision to raise capital to fund its forward activities. The successful capital raising puts your company in a strong position to reboot its exploration activities particularly on its newly acquired Western Australian tenure.

Our strategy in these uncertain times brought on by COVID-19 has been to reframe our business model to win by exploration success not impacted by border restrictions. Your board makes its decisions based on the best interests of Shareholders elevated by what will drive economies globally and domestically in the post COVID-19 period. Infrastructure investment with Government(s) stimulus packages forecast demand for base metals and we believe that our strategy is the right one.

For the new shareholders in our company, welcome and to our existing shareholders, I thank you for your continuing support.

I thank my Board, Company Secretary and our employees for their resilience and dedicated commitment to the success of your Company and again acknowledge the significant and tireless contribution made by our Managing Director, Will Dix.

The Todd River Resources team and Board are focused to deliver shareholder value through our targeted exploration activities, and I look forward to sharing news of our progress with you in the year ahead.

Yours sincerely,



Eddie Fry
Non-Executive Chairman
Todd River Resources Ltd

Todd River Resources Limited

Review of Operations

2020 HIGHLIGHTS – YEAR IN REVIEW

EXPLORATION

- Re-positioning of the Company with a focus on Ni-Cu-PGE exploration in Western Australia
- Exploration at Mt Hardy continued to validate the Company's view that the Project has the potential to contain multiple base metal resources
- Ongoing progress made towards the completion of the Exploration Agreement with the Central Land Council at the Petermann Range Project

CORPORATE

- Acquisition of Marlee Base Metals Pty Ltd and Moonknight Pty Ltd
- Entry into a 12 month exclusive option over the Nanutarra Nickel Project
- Mr Ian Murray joins the Board of Directors
- Successful Capital Raisings to fund the Company

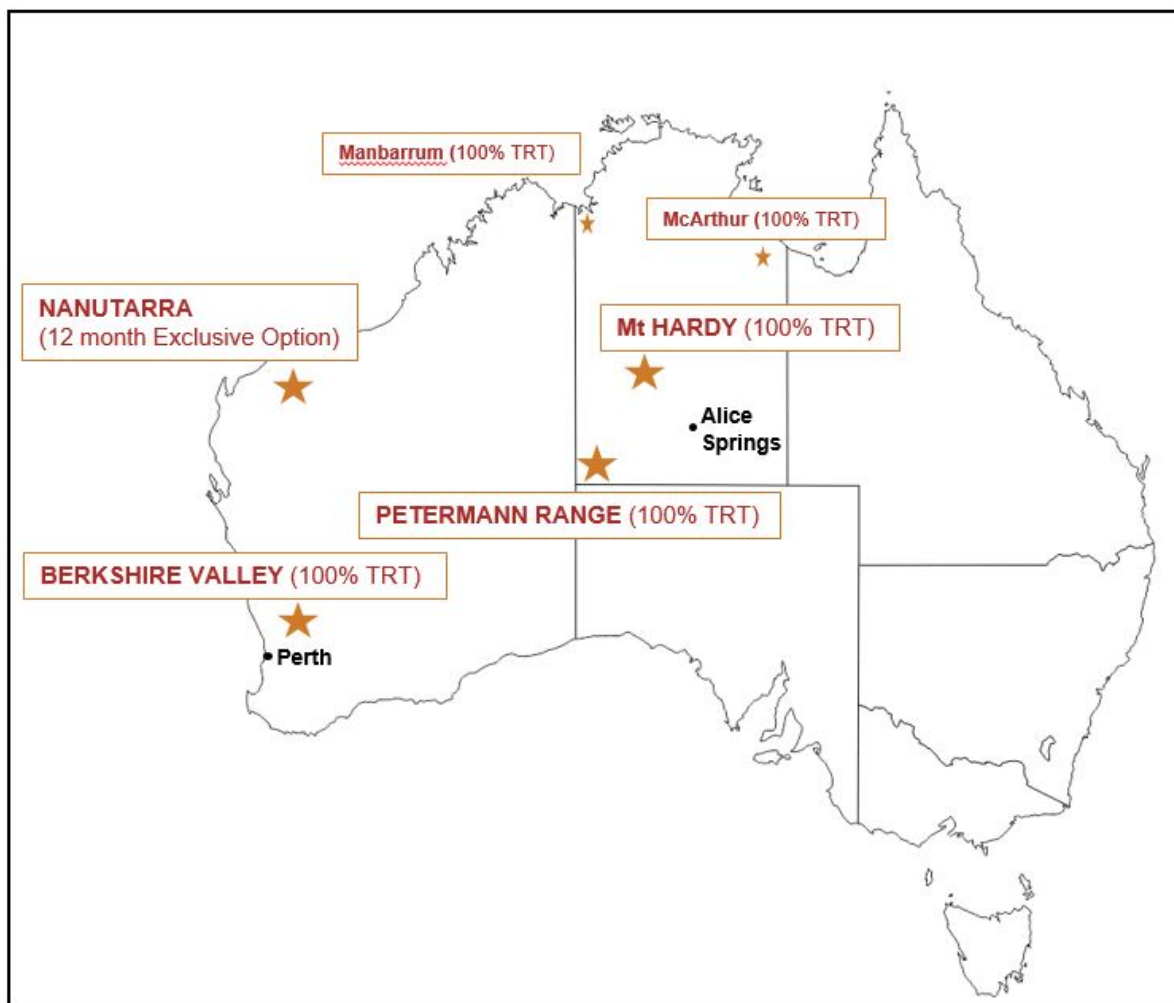


Figure 1. Todd River Resources project portfolio in Western Australia and the Northern Territory.

Todd River Resources Limited

Review of Operations

SUMMARY

The exploration focus of Todd River Resources throughout the financial year ended 30 June 2020 ("financial year" or "period") has seen the Company build on the existing portfolio of base metal and gold assets in the Northern Territory with the addition of a number of new Western Australian exploration assets.

Exploration in the first half of the year concentrated on the exploration of new targets at Mt Hardy and due to COVID-19 travel restrictions, exploration in the second half of the year was extremely limited. In addition, significant progress has been made on gaining on-ground access to the under explored Petermann Range Project in the south west of the Northern Territory where negotiations are almost complete on a groundbreaking Exploration Agreement.

The drilling highlight of the year came with the completion of the RC drilling program at the 100% owned Mt Hardy base metal project, 300Kms north west of Alice Springs where several new zones of mineralisation have been identified.

EXPLORATION

MOUNT HARDY ZINC-COPPER PROJECT (TRT: 100%)

Regional RC Drilling

Following the release of the Company's Maiden Mineral Resource of 2.6 million tonnes at 10.5% zinc-equivalent* at the Hendrix deposit in July 2019 (Figure 2 and Table 1), the focus was expanded to explore the greater Mt Hardy Project for additional base metal mineralisation.

Table 1. Hendrix Inferred Resource statement

Cut off Zn%	Tonnage	Metal Grade					Metal Tonnes			
		Zn Eq%	Zn%	Cu%	Pb%	Ag g/t	Zn(t)	Cu(t)	Pb (t)	Ag (oz)
0.5	2,700,000	10.3	6.5	0.9	1.5	34	176,000	23,200	40,000	3,000,000
1.0	2,600,000	10.4	6.6	0.9	1.5	34	175,000	22,700	40,000	2,900,000
1.5	2,600,000	10.5	6.7	0.9	1.5	35	175,000	22,500	40,000	2,900,000
2.0	2,500,000	10.7	6.8	0.9	1.6	35	173,000	22,000	40,000	2,900,000
2.5	2,500,000	10.8	7.0	0.9	1.6	35	172,000	21,500	39,000	2,800,000
3.0	2,400,000	11.0	7.1	0.9	1.6	36	170,000	21,100	38,000	2,800,000
3.5	2,300,000	11.2	7.2	0.9	1.6	36	167,000	20,600	37,000	2,700,000
4.0	2,200,000	11.5	7.5	0.9	1.6	37	162,000	19,900	35,000	2,600,000
4.5	2,000,000	12.0	7.8	1.0	1.7	39	153,000	18,800	34,000	2,400,000
5.0	1,700,000	12.7	8.2	1.0	1.8	41	142,000	17,300	32,000	2,300,000

*Note: Zinc Equivalent (ZnEq%) is based on the following formula:

$$\text{ZnEq \%} = \text{Zn\%} + (\text{Cu\%} \times (5900/2550)) + (\text{Pb\%} \times (1900/2550)) + (\text{Ag ppm} \times ((15/31.103475)/(2550/100)))$$

Where: Zn = \$2,550 USD/ tonne

Cu = \$5,900 USD / tonne

Pb = \$1,900 USD / tonne

Ag = \$15 USD / ounce

Appropriate rounding has been applied.

The Mineral Resource estimate is categorised as Inferred under the JORC code and is reported in accordance with the guidelines of the JORC code (2012 edition) and further details can be found in the Company's ASX release dated 10 July 2019. Figure 2 shows the geological wireframe from which the resource was estimated.

Todd River Resources Limited

Review of Operations

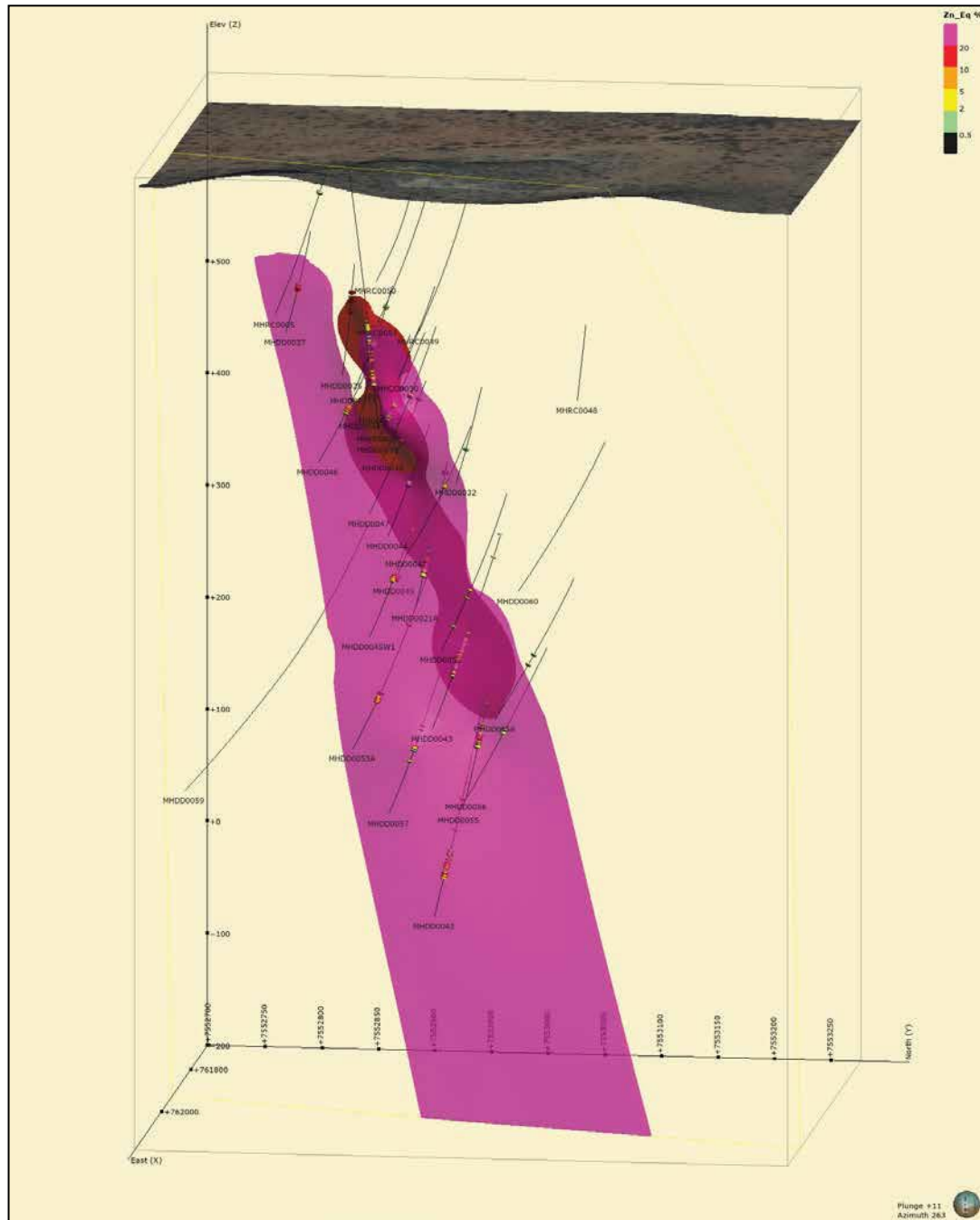


Figure 2. Hendrix Resource wireframes and drilling looking west.

Mt Hardy Regional Exploration

Surface Sampling

During the second half of calendar year 2019, the Company identified seven new areas of surface mineralisation across the project tenure through detailed mapping and systematic sampling around known prospects combined with reconnaissance mapping and prospecting over areas of outcrop and disturbance identified from high resolution satellite imagery.

The sampled material is similar to that at the surface of Mt Hardy's Hendrix Prospect, where a small area of gossanous outcrop is the only surface manifestation of the underlying mineralisation that comprises the Hendrix Mineral Resource estimate.

The identification of new areas of surface mineralisation (Figure 3) led to the development of a regional RC drilling program which was completed in late 2019.

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Review of Operations

Surface sampling results were outlined in ASX releases of 29 July 2019 and the highlights are included in Table 2 below.

Table 2. Surface Sample Results from the Mt Hardy Project

Sample ID	Sample Type	Northing	Easting	Cu_ppm	Pb_ppm	Zn_ppm	Combined BM%	Au_ppm
190604-L12-1	Rock	7552926	762023	59392	254385	101078	41.49	0.043
190604-L12-2	Rock	7552930	762022	49877	254467	67009	37.14	0.037
190604-L13-1	Rock	7552914	762026	101392	299899	82134	48.34	0.054
190604-L27-1	Rock	7552779	762067	14940	81678	42324	13.89	0.039
190604-L28-1	Rock	7552777	762064	13204	129820	8800	15.18	0.034
190605-L37-2	Rock	7553185	763191	30980	78973	127331	23.73	0.19
190605-L38-1	Rock	7553001	763165	29868	60880	41832	13.26	0.062
190606-L37-1	Rock	7552906	762029	3711	97375	10509	11.16	0.033
MHR001	Rock	7553670	761170	146449	16861	4945	16.83	0.232
MHR002	Rock	7553580	761230	144325	17701	14796	17.68	0.107
MHR004	Rock	7553063	764991	133290	12497	19804	16.56	0.01
MHR006	Rock	7552853	766313	236356	161	2255	23.88	0.172
MHR008	Rock	7554791	760401	288439	1106	38899	32.84	0.104

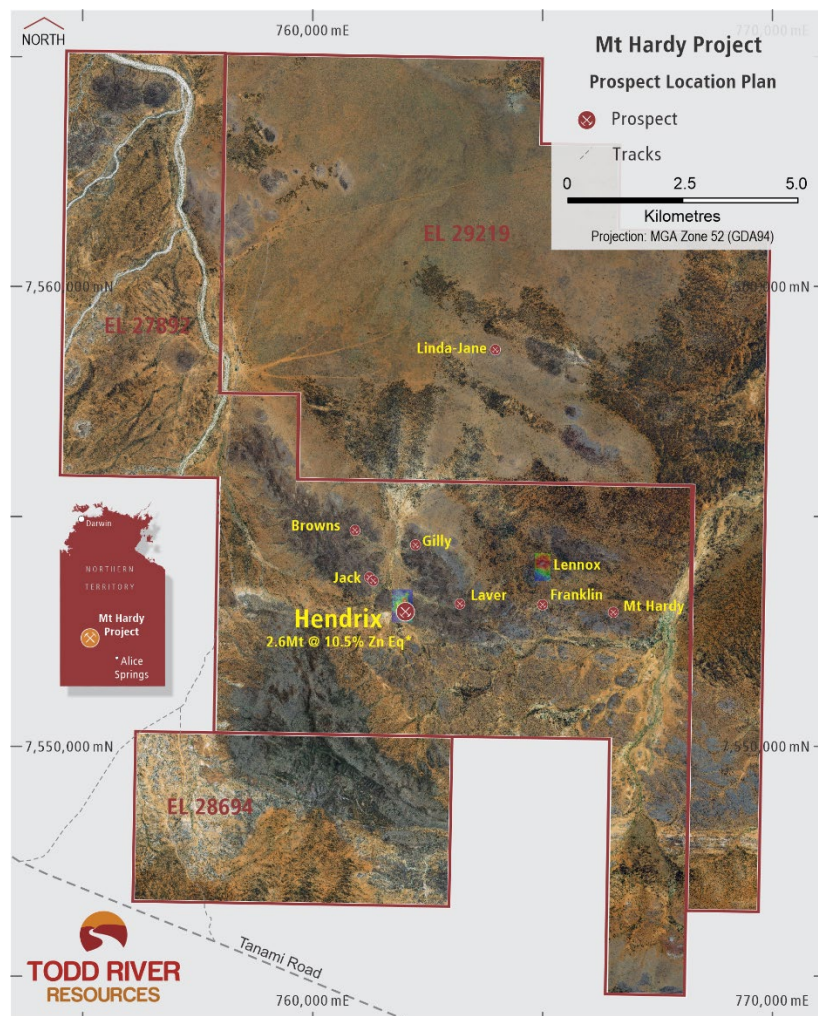


Figure 3. Mt Hardy Project showing new Prospect Locations

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Review of Operations

Reconnaissance RC Drilling

Several areas of outcropping mineralisation identified from the surface sampling were selected for follow up reconnaissance RC drilling. A total of 35 RC holes were completed for 3,082m testing 6 new areas within the Mt Hardy Project. The hole locations are shown in Figure 4.

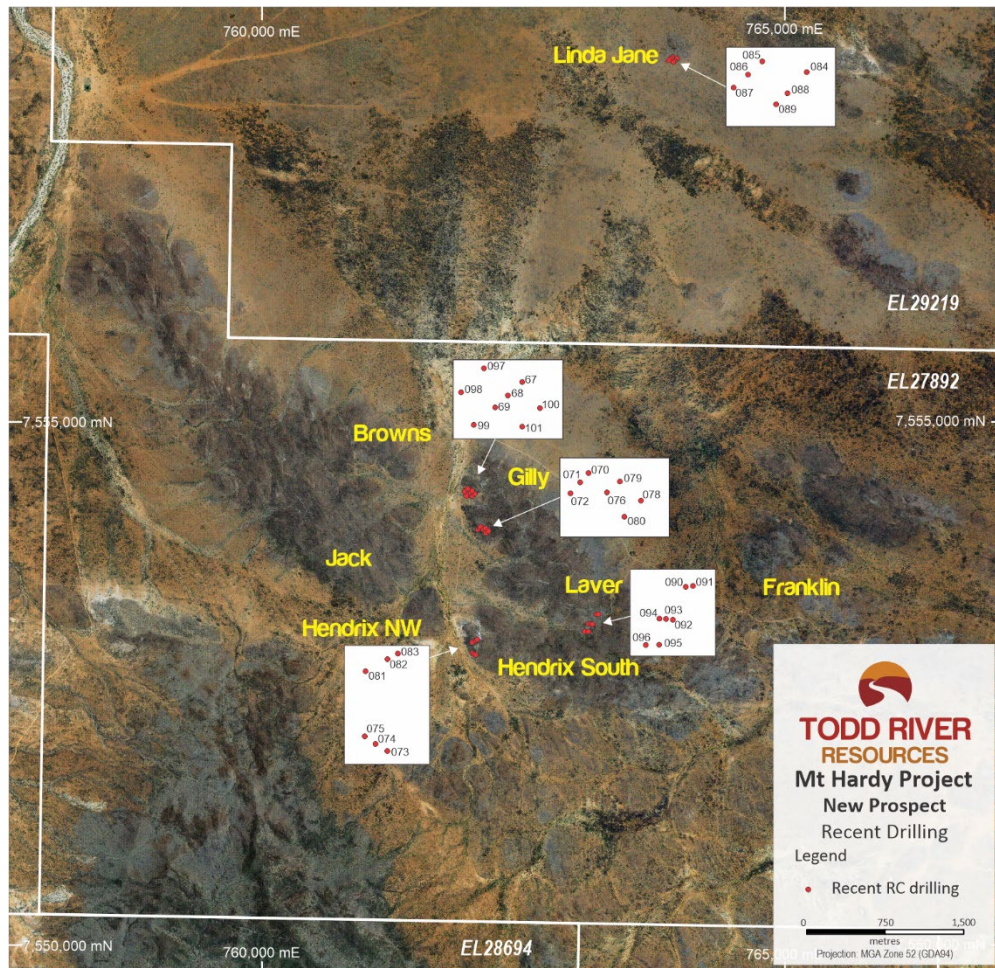


Figure 4. Mt Hardy Project showing the collar locations for the holes drilled during the recently completed reconnaissance RC drilling program.

Three prospects away from the Hendrix resource area as well as mineralisation immediately south and north west of Hendrix returned encouraging results. Downhole EM surveying was completed subsequent to the end of the quarter and the results from this work will enable planning for the next phase of drilling. Best results from the RC drilling are listed below:

Gilly North Prospect:

- 10m @ 1% Cu, 0.4% Pb, 3.6% Zn and 24g/t Ag (5.0% combined base metals) from 5m, including:
 - 7m @ 1.4% Cu, 0.6% Pb, 4.7% Zn and 36.4g/t Ag (6.7% combined BM) from 8m (MHRC0067)
- 9m @ 0.6% Cu, 0.1% Pb, 5.5% Zn and 7g/t Ag (6.2% combined base metals) from 36m, including:
 - 7m @ 0.7% Cu, 0.1% Pb, 6.1% Zn and 8g/t Ag (6.9% combined BM) from 37m (MHRC0068); and
- 14m @ 1.1% Cu, 0.1% Pb, 3.4% Zn, 8.7g/t Ag (4.6% combined base metals) from 42m, including:
 - 7m @ 1.4% Cu, 0.1% Pb, 6.3% Zn and 12.6g/t Ag (7.8% combined BM) from 46m (MHRC0069).

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Review of Operations

Laver Prospect:

- 15m @ 0.4% Cu, 1.7% Pb, 5.4% Zn and 29g/t Ag (**7.5% combined base metals**) from 111m, including:
 - **3m @ 0.6% Cu, 1.5% Pb, 11.7% Zn and 39.4g/t Ag (13.8% combined BM)** from 111m (MHRC0091) and:
- 4m @ 0.9% Cu, 1.4% Pb, 2.9% Zn and 30g/t Ag (**5.1% combined base metals**) from 49m, including:
 - **2m @ 1.3% Cu, 2.0% Pb, 4.5% Zn and 41.5g/t Ag (7.8% combined BM)** from 50m (MHRC0090).

Gilly Prospect:

- 7m @ 0.4% Cu, 0.3% Pb, 4.1% Zn and 15.4g/t Ag (**4.8% combined base metals**) from 23m, including:
 - **4m @ 0.5% Cu, 0.6% Pb, 5.9% Zn and 7g/t Ag (7.0% combined base metals)** from 23m, (MHRC0071).

Hendrix South Prospect:

- 28m @ 0.2% Cu, 0.6% Pb, 2.4% Zn and 12g/t Ag (**3.2% combined base metals**) from 82m, including:
 - **5m @ 0.24% Cu, 1.8% Pb, 4.3% Zn and 28.4g/t Ag (6.3% combined BM)** from 93m (MHRC0075) and:
- 5m @ 0.7% Cu, 0.8% Pb, 2.0% Zn and 24g/t Ag (**3.5% combined base metals**) from 28m (MHRC0073).

Hendrix North West Prospect:

- 5m @ 1.2% Cu, 4.1% Pb, 2.4% Zn and 70g/t Ag (**7.8% combined base metals**) from 34m, including 1m @ 1.8% Cu, 12.2% Pb and 6.3% Zn and 233g/t Ag from 37m (MHRC0082).
- 4m @ 0.6% Cu, 3.2% Pb, 3.0% Zn and 32g/t Ag (**6.8% combined base metals**) from 33m (MHRC0081)

Reconnaissance RC holes across the project were targeted on a number of high-grade base metal rock chip results identified in the mapping and sampling programs completed in August and September. In general, base metal sulphides (sphalerite, chalcopyrite and galena), together with pyrrhotite (iron sulphide) were intersected over varying widths in most holes drilled. The zones of sulphide breccia, and sulphide stringers are hosted within the sediments of the Lander Rock Formation.

At the Gilly and Gilly North prospects, the weathering profile is very thin and drilling is collared in very weakly oxidised to fresh rock. Some minor oxidation of the sulphides was observed in hole MHRC0067 but otherwise the sulphides in both hole MHRC0068 and MHRC0069 are fresh sulphide. Sulphides observed in the RC chips are coarse grained with both sphalerite and galena occurring in centimetre-sized aggregates.

At the Laver prospect, where rock chip sampling returned results of up to **12.7% Zn, 7.9% Pb, 3.1% Cu and 154 g/t Ag**, a north-northeast trending, haematite-goethite-quartz breccia body is associated with a quartz-rich horizon (similar to the Hendrix deposit).

The breccia body extends over a strike extent of more than 250m and the reconnaissance RC drilling program has drilled three zones along this trend where the surface gossan is best developed.

Further opportunity exists to the north of the currently mapped out Laver prospect area where the best developed gossan splits into several occurrences.

Drilling at Hendrix South concentrated on a fold closure identified approximately 100m south of the surface expression of the Resource. Sulphide breccia and stringers were identified in each hole with the best developed intersection being over a down-hole width of 28m in hole MHRC0075 associated with silica alteration similar to that seen in parts of the Hendrix Resource. All of the holes drilled at Hendrix South intersected sulphide mineralisation and all of the holes sit well outside the current Resource wireframe.

At Hendrix North West, shallow drilling intersected mineralisation which is interpreted as an up-dip extension to the hangingwall lode to the Hendrix resource (this mineralisation sits outside the current resource estimate).

Opportunities remain at a number of prospects where anomalous rock chip sampling has been completed but as yet no drilling including the Jack and Franklin prospects.

Todd River Resources Limited

Review of Operations

RAB/Aircore Resampling

In addition to the reconnaissance RC drilling, new areas of base metal anomalism have been identified from the systematic resampling of historic RAB drilling completed in 2002-2003 which was previously assayed largely for gold only.

The Company was able to locate and collect material from 386 out of a possible 404 holes (96%). The holes are generally drilled at a 100m spacing with small areas of in-fill to 50m, and the drill lines are up to 1.2km apart.

This drill spacing is considered generally too broad in the context of the base metal mineralisation at Mt Hardy. The Hendrix Resource, for example, has a surface footprint much smaller than this wide-spaced drilling.

The historical holes were originally systematically assayed for precious metals and sporadically assayed for arsenic, copper and lead (no zinc assays were completed) on an approximate 1 in 20 ratio. The new assays cover a suite of base metals and pathfinder elements to build a comprehensive geochemical database. An anomaly summary figure showing the distribution of the holes resampled and the location of anomalous target zones is shown in Figure 5.

The best developed area of base metal anomalism is to the north-west at the Linda-Jane Prospect. This anomaly, which is coincident in copper, lead and zinc, extends under cover for some 600m north-west of the Linda-Jane outcropping gossan and in total, covers an area of approximately 850m X 350m.

This area also contains the highest individual assays for copper (496ppm) and one of the highest for zinc (1,344ppm) of the samples collected (blue in Figure 5). The northern end of the highlighted anomaly in these images is a function of the drilling completed to date and this is one area where additional drilling will be completed in 2020 to test for further anomalism.

In addition, there is a broad north-west trending anomaly that extends under cover from the northern edge of the Gilly prospect for approximately 2.5km. Overall it is lower grade than the Linda-Jane anomaly but it is coherent and present on all but one line, with lines spaced at a distance of 1.2km. This area also contains the highest recorded zinc grade of 2,019ppm.

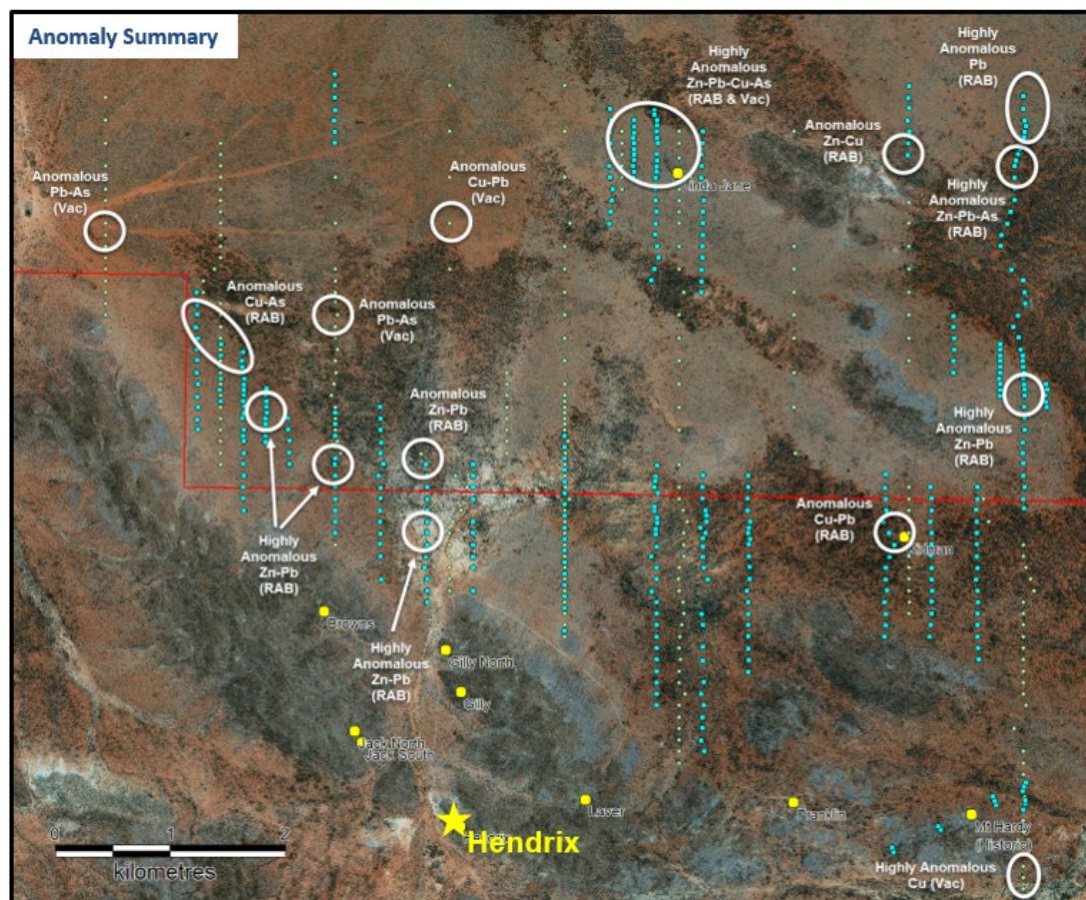


Figure 5. A summary of the anomalies identified through the RAB re-sampling.

Todd River Resources Limited

Review of Operations

PETERMANN RANGE PROJECT (TRT:100%)

Negotiations are ongoing on the completion of a groundbreaking Exploration Agreement with the Traditional Owners and Central Land Council, in order to proceed to grant with five key tenements at the Petermann Range Project (Figure 6).

The area lies wholly within Petermann Aboriginal Land Trust and has not been subjected to any exploration activities for over 40 years. The Petermann Ranges comprise Neoproterozoic metasediments overlying Mesoproterozoic granite gneiss. The Ranges are located in the northern part of the Musgrave Province, which has seen limited exploration but is considered prospective following results gained by BHP Billiton, Metals-X and Cassini Resources. The mafic intrusive-hosted Nebo-Babel Ni-Cu-PGE deposit and Wingellina Ni-Co laterite deposits attest to the potential for large world class resources within the Musgrave Province.

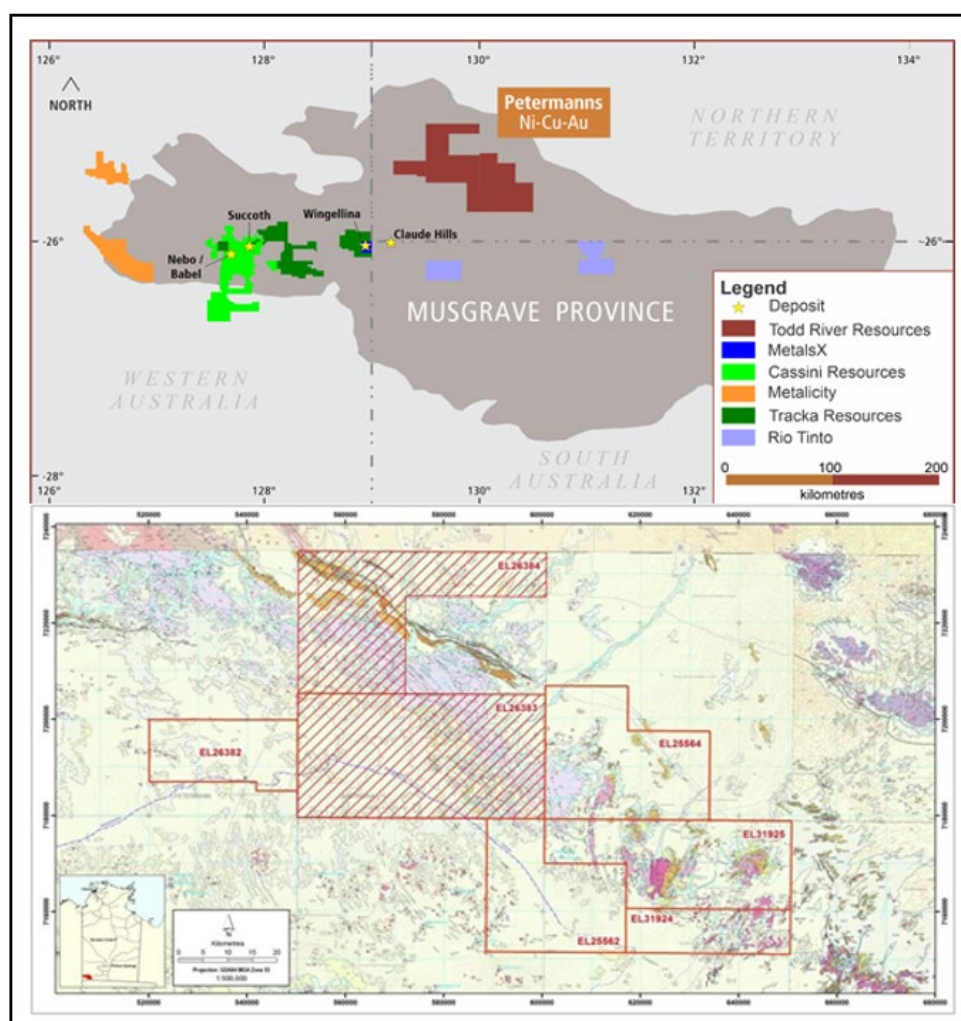


Figure 6. The five tenements that are approved for grant and two remaining applications in the Petermann Range area of the Musgrave Province.

NANUTARRA NICKEL PROJECT (TRT exclusive 12 month option)

During the second half of 2019 the Company entered into an Option to Farm-in Agreement over exploration licence E08/2942. The Farm-in Agreement also provides for a potential mining joint venture to be formed once Todd River Metals Pty Ltd (a wholly owned subsidiary of Todd River Resources) has acquired an 80% interest in the tenement.

The key terms of the Farm-in Agreement are set out in ASX release dated 4 October 2019.

ACTIVITIES SUBSEQUENT TO THE END OF THE REPORTING YEAR

Subsequent to 30 June 2020 the Company announced the proposed acquisition of 100% of the shares in private companies Marlee Base Metals Pty Ltd (MBM) and Moonknight Pty Ltd (Moonknight).

Todd River Resources Limited

Review of Operations

ACTIVITIES SUBSEQUENT TO THE END OF THE REPORTING YEAR (CONTINUED)

MBM and Moonknight hold adjacent tenements over nickel-copper anomalous ultramafic intrusions at Berkshire Valley, located 100km north of Chalice's recent Julimar nickel-copper-platinum-palladium discovery in the South West Yilgarn Craton. In addition, MBM holds tenement applications over three magmatic Ni-Cu-PGE and sedex copper targets in other parts of Western Australia.

The key project within the portfolio is the Berkshire Valley Project which is located approximately 160Km north of Perth near the township of Moora and 100km north of the recently disclosed Nickel-Copper-Platinum (Ni-Cu-PGE) discovery made by Chalice Gold Mines Limited at Julimar.

Consideration consisted of A\$100,000 and a total of 100,000,001 ordinary shares, which were issued on 2 September 2020.

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Directors' Report

The Directors present their report together with the financial report of Todd River Resources Limited ("the Company" or "TRT") and of the Group, being the Company and its subsidiary for the financial year ended 30 June 2020 and the auditor's report thereon.

Directors in office

The names and details of the Directors in office during the financial year and until the date of this Report are as follows. Directors were in office for the entire year unless otherwise stated.

Edward Fry
William Dix
Mark Bennett
Geoffrey Crow

PRINCIPAL ACTIVITIES

The principal activities of the Group during the course of the financial year were the exploration and evaluation of its Mount Hardy project and the management of its other exploration properties such as Nanutarra and Petermann Range.

DIVIDENDS

No dividends were paid during the year and the Directors do not recommend payment of a dividend.

REVIEW AND RESULTS OF OPERATIONS

The operating loss of the Group after income tax for the year was \$5,083,810 (restated 2019: loss \$6,946,169). The Group had cash costs of \$1,691,848 during the year (2019: \$4,764,857) on exploration and evaluation expenditure and had a 30 June 2020 closing cash balance of \$1,364,500 (2019 \$1,457,469).

SIGNIFICANT CHANGE IN STATE OF AFFAIRS

On 10 July 2019, TRT announced its maiden mineral resource estimate at Mt Hardy. The resource comprised approximately 175,000 tonnes of contained zinc, 22,500 tonnes of contained copper, 40,000 tonnes of contained lead and 2.9 million ounces of contained silver.

On 10 September 2019, TRT announced that it completed its placement of \$1 million (before costs) and issued 32,259,000 shares at \$0.031 per share.

In October 2019, TRT announced it completed its 1-for-3 underwritten non-renounceable pro-rata entitlement offer for \$1.9 million (before costs) and issued 62,042,777 shares at \$0.031 per share.

On 4 October 2019, the Group entered into a farm-in arrangement with Cratonix Pty Ltd for a WA nickel project, Nanutarra. The cost of entering into the arrangement was \$10,000 and issue of 833,333 TRT shares valued at \$25,000. The terms of the farm-in includes the Group solely funding all costs during the earn in period for a minimum of \$2,000,000. Upon completion of the earn in period, election and notice to Cratonix, the Group may earn an 80% interest in Nanutarra.

On 17 December 2019, TRT announced that it had completed its sale of the Walabanba project to Core Lithium (ASX: CXO) in consideration of 1,317,792 CXO shares.

EVENTS SUBSEQUENT TO REPORTING DATE

On 1 July 2020, the Company announced that it had entered into two binding sale agreements to purchase 100% of private companies Marlee Base Metals Pty Ltd (Marlee) and Moonknight Pty Ltd. Consideration for the purchase of both companies is \$100,000 cash and 100,000,001 Todd River shares. After completion the Company will hold 270km² land position in the South West Yilgarn Craton with numerous nickel-copper anomalous mafic-ultramafic intrusive bodies over more than 40 kilometres of strike extent. The Marlee transaction also includes ownership of Marlee's three additional magmatic Ni-Cu-PGE and sedex Cu targets in Western Australia. Dr Mark Bennett is on the technical advisory committee of Marlee and has a non-controlling interest. Each sale agreement is inter-conditional on completion of the other occurring, the Company's satisfactory due diligence and shareholders approving the issue of 100,000,001 Todd River shares. The issue of shares was approved by shareholders at a general meeting on 26 August 2020 and subsequent to the general meeting, the transaction will be subject to completion requirements as per the sale agreement.

Also at the general meeting on 26 August 2020, the shareholders approved the issue of 10 million and 6 million options to directors and consultants respectively. The options will be issued under the Incentive Option Plan to the Directors of the Company and each option will be exercisable at a price equal to 1.43 multiplied by the 5-day VWAMP of Shares and will expire three years after the date they are issued. The options issued to consultants will be issued directly to each party involved and each option has the same terms as described for the Directors. No options have been issued at the date of this report.

Directors' Report

EVENTS SUBSEQUENT TO REPORTING DATE (CONTINUED)

On 17 August 2020, the Company announced it was seeking to raise approximately \$4 million (before costs) through a placement of up to approximately 136 million fully paid ordinary shares at an issue price of \$0.03 per share to qualified sophisticated investors. The issue price represents a 20% discount to the 10 day VWAP of \$0.038 per share. The placement will be undertaken in two tranches:

- The first tranche of approximately 60.6 million shares of \$1.82 million (before costs) was issued and cash received on Friday 21 August 2020.
- The second tranche of approximately 75.3 million shares of \$2.26 million (before costs) will be subject to shareholder approval due to take place in October 2020.

There have been no other matters or circumstances which have arisen since 30 June 2020 that have significantly affected or may significantly affect:

- a) the Group's operations in future years,
- b) the results of those operations in future financial years, or
- c) the Group's state of affairs in future financial years.

LIKELY DEVELOPMENTS

The Group will continue to develop its Northern Territory exploration portfolio and its new nickel assets in Western Australia.

ENVIRONMENTAL REGULATIONS

The Group holds various exploration licences to regulate its exploration activities in Australia. These licences include conditions and regulation with respect to the rehabilitation of areas disturbed during the course of its exploration activities. However, the Board believes that the Group has adequate systems in place for the management of its environmental requirements and is not aware of any breach of those environmental requirements as they apply to the Group.

INFORMATION ON DIRECTORS AND COMPANY SECRETARY

The Directors of the Company at any time during or since the end of the financial year are:

Edward Fry ***Chairman***

Mr Fry has extensive experience within the Australian resource sector and is a specialist in Indigenous and Native Title issues. He holds a Diploma in Business Management from the University of South Australia and is a graduate of the International Lead and Zinc Study Group conducted out of Belgium on international base metal global supply and demand trade.

Based in Adelaide, Mr Fry is a former director of TNG Ltd. He is an Executive Director of Gimbulki Resources Pty Ltd, a Native Title land access company he established in 2002 which has provided consulting services to a range of Australian exploration and mining companies including Rio Tinto, Barrick Gold, and Transfield Services.

During his career he also held senior executive roles with Normandy Mining Ltd., where he established the company's Traditional Owner policy, and later was manager of international logistics and marketing of Normandy's base-metal portfolio.

Mr Fry is the Chairman of Indigenous Business Australia, Chair of the Indigenous Land Corporation, Chair of the Indigenous Advisory Board at Ventia (formerly Broadspectrum since 2010), a Deputy Chair of the Aboriginal Foundation of South Australia Inc (since 2007).

Other Current Directorships

Mr Fry has no directorships of other public listed companies.

Former Directorships in the Last Three Years

Mr Fry has had no directorships of any other public listed company in the last three years.

Number of interests in shares and options held in Todd River Resources Limited

Options 2,000,000

Shares 52,207

Directors' Report

INFORMATION ON DIRECTORS AND COMPANY SECRETARY (CONTINUED)

Geoffrey Crow

Non-Executive Director

Mr Crow has more than 29 years' experience in all aspects of corporate finance, stockbroking and investor relations in Australia and international markets and has owned and operated his own businesses in these areas for the last seventeen years. Mr Crow is a Non-Executive Director of Todd River Resources Limited.

Other Current Directorships

Non-Executive Director of Ironridge Resources Ltd since 1 February 2013.

Non-Executive Director of Lake Resources NL since 14 November 2016.

Former Directorships in the Last Three Years

Non-Executive Director of Bryah Resources Limited from 13 January 2017 to 15 November 2017.

Non-Executive Director of TNG Limited from 24 February 2011 to 30 May 2018.

Number of interests in shares and options held in Todd River Resources Limited

Options 2,000,000

Shares 326,718

Mark Bennett

Non-Executive Director

Dr Bennett was the Managing Director and CEO of Sirius Resources Ltd from its inception to its merger with Independence Group, and was Non-Executive Director of Independence Group following the merger until June 2016.

Dr Bennett is a geologist with 28 years of experience in gold, nickel and base metal exploration and mining. Dr Bennett holds a BSc in Mining Geology from the University of Leicester and a PhD from the University of Leeds and is a Member of the Australasian Institute of Mining and Metallurgy, a Fellow of the Geological Society of London, a Fellow of the Australian Institute of Geoscientists and a Member of the Australian Institute of Company Directors.

Dr Bennett has worked in Australia, West Africa, Canada, USA and Europe, initially for LionOre Mining International Limited and WMC Resources Limited at various locations including Kalgoorlie, Kambalda, St.Ives, LionOre's nickel and gold mines throughout Western Australia, the East Kimberley, and Stawell in Victoria. His more recent experience, as Managing Director of Sirius Resources and S2 Resources and as a director of private Canadian company True North Nickel has been predominantly in Western Australia (the Fraser Range including Nova-Bollinger, and the Polar Bear project in the Eastern Goldfields), Quebec (the Raglan West nickel project), British Columbia, Sweden, Finland, and Nevada.

Positions held include various technical, operational, executive and board positions including Managing Director, Chief Executive Officer, Executive Director, Non-executive director, Exploration Manager and Chief Geologist. Dr Bennett is a two times winner of the Association of Mining and Exploration Companies "Prospector Award" for his discoveries which include the Thunderbox Gold Mine, the Waterloo nickel mine and most recently the world class Nova-Bollinger nickel-copper mine.

In addition to his technical expertise, Dr Bennett is very experienced in corporate affairs, equity capital markets, investor relations and community engagement and has led Sirius from prior to the discovery of Nova all the way through feasibility, financing, permitting and construction, and latterly through the schemes of arrangement to merge with Independence and to demerge S2.

Other Current Directorships

Managing Director of S2 Resources Ltd since 15 October 2015 to 3 April 2020

Executive Chairman of S2 Resources Ltd since 3 April 2020

Former Directorships in the Last Three Years

None

Number of interests in shares and options held in Todd River Resources Limited

Options Nil

Shares 2,466,000

William Dix, BSc, MSc, MAusIMM

Managing Director

Mr Dix is a geologist with 25 years' experience in base metal, gold and uranium exploration and mining. Earlier in his career, he spent seven years with the highly successful international nickel producer LionOre Mining International in a variety of exploration, mining and management roles. During his time with LionOre, Mr Dix was part of the team that discovered the Waterloo Nickel Mine and delineated the two million ounce Thunderbox Gold Project in Western Australia. He remained with LionOre until its US\$4.8 billion takeover by Norilsk Nickel in 2007.

Directors' Report

INFORMATION ON DIRECTORS AND COMPANY SECRETARY (CONTINUED)

He has a proven track record of successful project and team management and also has extensive experience in commercial activities including capital raisings, mergers, acquisitions and divestments.

Mr Dix holds a Bachelor of Science with double major in Geology and Geophysics and a Master of Science in Geology from Monash University and is a member of AusIMM.

Prior to joining Todd River Resources, Mr Dix was Managing Director at Consolidated Zinc Ltd.

Other Current Directorships

Non-Executive Director of BBX Minerals Ltd since 10 October 2012.

Former Directorships in the Last Three Years

Managing Director of Consolidated Zinc Limited from 29 May 2015 to 8 January 2018.

Number of interests in shares and options held in Todd River Resources Limited

Options 3,000,000

Shares 440,706

Simon Robertson, B.Bus, CA, M Appl. Fin.

Company Secretary

Mr Robertson gained a Bachelor of Business from Curtin University in Western Australia and Master of Applied Finance from Macquarie University in New South Wales. He is a member of the Chartered Accountants Australia and New Zealand and the Governance Institute of Australia. Mr Robertson currently holds the position of Company Secretary for a number of publically listed companies and has experience in corporate finance, accounting and administration, capital raisings and ASX compliance and regulatory requirements.

DIRECTORS' MEETINGS

The number of Directors' meetings and number of meetings attended by each of the Directors of the Company during the financial year are:

Director	Number of board meetings held during the time the Director held office	Number of board meetings attended
Edward Fry	11	11
Geoffrey Crow	11	11
Mark Bennett	11	11
William Dix	11	11

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

The Group has agreed to indemnify current and former Directors and officers against all liabilities to another person (other than the Group or a related body corporate), including legal expenses that may arise from their position as Directors and officers of the Group and its controlled entities, except where the liability arises out of conduct involving a lack of good faith or for a pecuniary penalty under section 1317G or a compensation order under section 1317H of the *Corporations Act 2001*.

INDEMNIFICATION AND INSURANCE OF AUDITOR

The Group has not, during or since the end of the year, indemnified or agreed to indemnify the auditor of the company or any entity against a liability incurred by the auditor.

During the year the Group has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

INSURANCE PREMIUMS

During and since the end of the financial year the Company has given an indemnity or entered into an agreement to indemnify, or paid or agreed to pay insurance premiums as follows:

The Company has paid premiums to insure each of the directors and officers against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director of the Company, other than conduct involving a wilful breach of duty in relation to the Company. The amount of the premium was \$14,835 exclusive of GST.

Directors' Report

OPTIONS

Unissued ordinary shares of the Company under options at the date of this Report are as follows:

Unlisted options

Number	Grant Date	Expiry Date	Exercise price \$
1,000,000	1 May 2018	1 May 2021	\$0.175
10,000,000	5 Nov 2018	4 Nov 2021	\$0.131
1,000,000	8 Nov 2018	7 Nov 2021	\$0.134
2,870,000	13 Nov 2019	15 Nov 2022	\$0.112

REMUNERATION REPORT - Audited

1. Principles of Remuneration

This report details the amount and nature of remuneration of each Key Management Personnel ("KMP").

KMP's have authority and responsibility for planning, directing and controlling the activities of the Group, including directors of the Company and other executives. Key management personnel comprise the directors of the Company and senior executives of the Group, being the Company Secretary and Chief Financial Officer.

The remuneration policy is to provide a fixed remuneration component and an equity related component. The Board believes that this remuneration policy is appropriate given the stage of development of the Company and the activities which it undertakes and is appropriate in aligning director and executive objectives with shareholder and business objectives.

The remuneration policy, setting the terms and conditions for the executive Directors and other executives has been developed by the Board, taking into account market conditions and comparable salary levels for companies of a similar size and operating in similar sectors.

The Board policy is to remunerate Directors and senior executives at market rates for comparable companies for time, commitment and responsibilities. Due to the size of the Company, there is no remuneration committee so the Board determines payments to the Non-executive directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of Directors fees is subject to approval by shareholders at a General Meeting. Fees for Non-executive directors are not linked to the performance of the entity. However, to align Directors' interests with shareholder interests, the Directors are encouraged to hold shares in the Company and may receive options if approved by shareholders.

Fixed Remuneration

Fixed compensation consists of base compensation being a flat per month director's fee or person's salary as well as employer contributions to superannuation funds. Compensation levels are reviewed annually by the board through a process that considers individual, segment and overall performance of the Group. Senior executive compensation are also reviewed on promotion.

Performance linked compensation

Performance linked compensation includes long and short term incentives designed to reward key management personnel for meeting or exceeding specific objectives or as recognition for strong individual performance. Short-term incentives are provided in the form of cash bonuses or salary increases as set out in individual employment agreements.

Short-term incentive bonus

Short-term incentives are provided in the form of cash bonuses and/or salary increases. They are used to encourage and reward exceptional performance in the realisation of strategic outcomes and growth in shareholders' wealth.

Options

Options which are granted from time to time to encourage exceptional performance in the realisation of strategic outcomes and growth in shareholders wealth. Options are granted for no consideration and do not carry voting rights or dividend entitlements. Options are valued using the Black-Scholes methodology. Option exercise prices are determined based on a premium over and above weighted average share price at grant date. Both the number and exercise price of options issued are at the Board's discretion.

Directors' Report

Non-executive directors

Non-executive directors receive fixed remuneration being a flat per month director's fee and variable remuneration being long term incentives that may be issued from time to time. The maximum aggregate amount of fees that can be paid to Non-executive directors is subject to approval by shareholders. The annual aggregate amount of remuneration paid to Non-executive directors of \$500,000 was approved by shareholders when the Company listed on 4 April 2017.

Directors and executives may also receive either a salary plus superannuation guarantee contributions as required by law, or provide their services via a consultancy arrangement. Directors and executives do not receive any retirement benefits except as stated. Individuals may, however, choose to sacrifice part of their salary to increase payments towards superannuation.

Service Contracts

Edward Fry – Non-Executive Chairman

- Term of Agreement – 6th April 2017 until terminated by either party.
- Director's Fees - \$80,000 per annum including superannuation plus any expense incurred.
- Mr Fry's fees are paid to Gimbulki Resources Pty Ltd, a related entity of Mr Fry.
- Termination of Agreement – no notice period applicable.

William Dix – Managing Director

- Term of Services Agreement – 01 February 2018 until terminated by either party.
- Salary - \$300,000 per annum plus superannuation at the maximum concessional limit per year.
- Termination of Services Agreement:
 - If the Company wishes to terminate the Agreement under no ground's of termination, one month's notice is required including one month's salary in thereof.
 - If the Managing Director wishes to terminate the Agreement under no grounds of termination, three months' notice is required and the Company may make payment in lieu of notice.
 - Any time after three years of employment, the Managing Director may terminate under no grounds of termination by giving three months' notice plus an additional on month (or part thereof) for each year (or part thereof) of employment beyond three years.
 - The Company may terminate the agreement at any time without notice if serious misconduct has occurred.

Geoffrey Crow – Non-Executive Director

- Term of Agreement - 6th April 2017 until terminated by either party.
- Director's Fees - \$60,000 per annum including superannuation plus any expense incurred.
- Mr Crow's fees were paid to Salaris Consulting Pty Ltd, a related entity of Mr Crow.
- Termination of Agreement – no notice period applicable

Mark Bennett – Non-Executive Director

- Term of Agreement – 30 November 2018 until terminated by either party.
- Director's Fees - \$60,000 per annum including superannuation plus any expense incurred.
- Termination of Agreement – no notice period applicable

Simon Robertson – Company Secretary

- Term of Agreement – 6th April 2017 until terminated by either party.
- Consulting Fee - \$4,666 per month excluding GST is paid to SLR consulting Pty Ltd a related entity of Mr Robertson.
- \$10,000 (inclusive of Superannuation) per annum will be paid to Mr Robertson as an employee for holding the Company Secretarial position.
- Termination of Agreement – 3 months written notice

Su-Mei Sain – Chief Financial Officer

- Term of Services Agreement – 14 January 2020 until terminated by either party.
- Salary – Hourly rate of \$160 per hour inclusive of superannuation.
- Term of engagement – 12 months and will be reviewed prior to the end of the term.
- Termination of Services Agreement:
 - If the Company wishes to terminate the Agreement under no ground's of termination, three month's notice is required including one month's salary in thereof.
 - If the Chief Financial Officer wishes to terminate the Agreement under no grounds of termination, three months' notice is required and the Company may make payment in lieu of notice.
 - The Company may terminate the agreement at any time without notice if serious misconduct has occurred.

Directors' Report

2. Key Management Personnel remuneration

Details of the nature and amount of each major element of remuneration of each key management personnel in accordance with Australian accounting standards are:

Key Management Personnel Remuneration for the year ended 30 June 2020

Consolidated							
Directors		Salary & Fees ¹ \$	Superannuation \$	Annual leave accrued \$	Options granted \$	Total \$	LTI% of remuneration
Edward Fry ²	2020	72,000	-	-	-	72,000	-
	2019	84,500	-	-	100,000	184,500	54%
William Dix ³	2020	270,000	25,000	2,601	-	297,601	-
	2019	284,885	25,000	12,577	113,500	435,962	26%
Geoffrey Crow	2020	54,000	-	-	-	54,000	-
	2019	60,000	-	-	100,000	160,000	63%
Mark Bennett ⁴	2020	49,316	4,685	-	-	54,001	-
	2019	32,192	3,058	-	-	35,250	-
Paul Burton ⁵	2020	-	-	-	-	-	-
	2019	42,431	-	-	100,000	142,431	70%
Rex Turkington ⁶	2020	-	-	-	-	-	-
	2019	37,500	-	-	100,000	137,500	73%
Simon Robertson ⁷	2020	65,235	934	-	-	66,169	-
	2019	79,008	801	-	49,000	128,809	38%
Su-Mei Sain ⁸	2020	29,146	264	-	-	29,410	-
	2019	16,396	-	-	-	16,396	-
Total	2020	539,697	30,883	2,601	-	573,181	
	2019	636,912	28,859	12,577	562,500	1,240,848	

¹ Includes consulting fees.

² During the year ended 30 June 2020, \$Nil was paid to Gimulki Resources Pty Ltd for consulting services, a related entity of Mr Fry (2019: \$4,500).

³ Appointed as Managing Director on 30 November 2018.

⁴ Appointed as Non-Executive Director on 30 November 2018.

⁵ Resigned as Technical Director on 24 January 2019.

⁶ Resigned as Non-Executive Director on 15 February 2019.

⁷ During the year ended 30 June 2020, \$55,400 was paid to SLR Consulting Pty Ltd as per the administrative services agreement with the Company (2019: \$70,578).

⁸ Mrs Sain was appointed Chief Financial Officer of the Company on 5 March 2019.

3. Shares and options granted as part of remuneration

During the financial year ended 30 June 2020, no options (2019: 11,000,000 options) were issued to key management personnel as per the Incentive Option Plan published on the ASX on 4 April 2017. Previously issued options have no vesting conditions and exercisable immediately from grant date. Please see section 5 below for more details.

4. Exercise of options granted as compensation

During the period no options were exercised by key management personnel. Refer to section 8 of the Remuneration Report.

5. Analysis of options over equity instruments granted as compensation

There were no options granted as compensation to each key management person during the reporting period.

The assumptions used in the valuation of these options are set out in Note 25 of the financial report. No options have been granted since the end of the financial year.

6. Analysis of movements in options

The movement during the reporting period, by value of options over ordinary shares in the Company held by KMP is detailed below.

Key Management Personnel	Granted in year \$	Value of options expired in year \$	Value of options exercised in year \$
Edward Fry	-	218,000	-
Will Dix	-	19,000	-
Geoffrey Crow	-	218,000	-
Simon Robertson	-	163,500	-
	-	618,500	-

Directors' Report

7. Modification of terms of equity-settled share-based payment transactions

No terms of equity-settled share-based payment transactions (including options granted as compensation to a key management person) have been altered or modified by the issuing entity during the reporting period or the prior period.

8. Options over equity instruments

Key Management Personnel	Held at 1 July 2019	Unlisted options granted as remuneration	Listed options purchased	Expired	Exercised	Other changes during the year	Total
Edward Fry	4,000,000	-	-	(2,000,000)	-	-	2,000,000
William Dix	4,000,000	-	-	(1,000,000)	-	-	3,000,000
Mark Bennett	-	-	-	-	-	-	-
Geoffrey Crow	4,686,945	-	-	(2,686,945)	-	-	2,000,000
Simon Robertson	2,500,000	-	-	(1,500,000)	-	-	1,000,000
Su-Mei Sain	-	-	-	-	-	-	-
	15,186,945	-	-	(7,186,945)	-	-	8,000,000

The total number of options held at 30 June 2020 of 8,000,000 are vested and exercisable as at 30 June 2020.

Options granted to directors and officers of the Company

During or since the end of the financial year the Company did not grant any options to KMP.

9. Movements in shares

Key Management Personnel	Held at 1 July 2019	Purchases	Received on exercise of options	Sales	Other	Held at 30 June 2020
Edward Fry	34,804	17,403	-	-	-	52,207
William Dix	293,803	146,903	-	-	-	440,706
Mark Bennett	1,644,000	822,000	-	-	-	2,466,000
Geoffrey Crow	246,212	80,506	-	-	-	326,718
Simon Robertson	117,464	-	-	-	-	117,464
Su-Mei Sain	-	-	-	-	-	-
	2,336,283	1,066,812	-	-	-	3,403,095

The audited remuneration report ends here.

DIRECTORS' INTERESTS

The relevant interest of each Director in the shares and options over such instruments issued by the companies within the Group and other related body corporates, as notified by the Directors to the ASX in accordance with S205G(1) of the *Corporations Act 2001*, at the date of this report is as follows:

Directors	Ordinary Shares	Options over Ordinary Shares
Edward Fry	52,207	2,000,000
Mark Bennett	2,466,000	-
Geoffrey Crow	326,718	2,000,000
William Dix	440,706	3,000,000
Simon Robertson	117,464	1,000,000

Directors' Report

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

NON-AUDIT SERVICES

HLB Mann Judd, the Group's auditor, did not provide any non-audit services during the year.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration is included on page 40 of the financial report and forms part of the Directors' report for the financial year ended 30 June 2020.

Signed in accordance with a resolution of the Directors.

A handwritten signature in blue ink, appearing to read 'William Dix', with a stylized flourish at the end.

William Dix
Managing Director
31 August 2020

Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2020

	Note	2020 \$	Restated* 2019 \$
Other income	5(a)	62,501	31,643
Total income		62,501	31,643
Corporate and administration expenses	5(d)	(542,263)	(827,693)
Employment expenses	5(e)	(410,961)	(1,120,491)
Depreciation		(66,571)	(15,082)
Loss on sale of exploration asset	13	(206,124)	-
Exploration expenditure incurred and expensed		(1,320,375)	(4,871,930)
Impairment loss on exploration expenditure capitalised	5(c)	(2,618,324)	(186,752)
Results from operating activities		(5,102,117)	(6,990,305)
Financial income	5(b)	21,087	45,210
Financial expenses	5(b)	(2,780)	(1,074)
Net financing income		18,307	44,136
Loss before income tax		(5,083,810)	(6,946,169)
Income tax expense	7	-	-
Loss for the year attributable to the owners of the Company		(5,083,810)	(6,946,169)
Other comprehensive income			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Gain on the revaluation of equity instruments at fair value through other comprehensive income, net of tax		9,301	-
Other comprehensive income for the year, net of tax		9,301	-
Total comprehensive loss for the year attributable to the owners of the company		(5,074,509)	(6,946,169)
Loss per share (cents per share)			
Basic and diluted loss per share (cents)	8	(2.28)	(5.69)

* The 30 June 2019 Consolidated Statement of Profit or Loss and Other Comprehensive Income has been restated pursuant to the Company's voluntary change in accounting policy for exploration and evaluation expenditure (note 3(e)).

The Consolidated Statement of Profit or Loss and Other Comprehensive Income is to be read in conjunction with the notes to the financial statements.

Todd River Resources Limited

Financial Report

Consolidated Statement of Financial Position As at 30 June 2020

	Note	2020 \$	Restated* 2019 \$
Current assets			
Cash and cash equivalents	10	1,364,500	1,457,469
Restricted cash	10	196,135	171,167
Other receivables	11	11,633	6,716
Prepayments		36,553	38,802
Total current assets		1,608,821	1,674,154
Non-current assets			
Investments	12	134,772	-
Exploration and evaluation expenditure	13	4,194,573	7,067,113
Plant and equipment	14	106,956	150,245
Right of use asset	15	14,017	-
Total non-current assets		4,450,318	7,217,358
Total assets		6,059,139	8,891,512
Current liabilities			
Trade and other payables	16	142,042	603,637
Provisions	17	52,928	38,723
Lease liability	18	14,457	-
Total current liabilities		209,427	642,360
Total liabilities		209,426	642,360
Net assets		5,849,712	8,249,152
Equity			
Issued capital	19	21,501,151	18,846,172
Accumulated losses		(16,524,061)	(13,118,751)
Reserves	20	872,622	2,521,731
Total equity		5,849,712	8,249,152

* The 30 June 2019 Consolidated Statement of Financial Position has been restated pursuant to the Company's voluntary change in accounting policy for exploration and evaluation expenditure (note 3(e)).

The Consolidated Statement of Financial Position is to be read in conjunction with the notes to the financial statements.

Todd River Resources Limited

Financial Report

Consolidated Statement of Cash Flows For the year ended 30 June 2020

	Note	2020 \$	Restated* 2019 \$
Cash flows from operating activities			
Cash receipts from customers		-	-
Cash payments in the course of operations		(1,069,198)	(1,478,989)
Payments for exploration and evaluation expenditure		(1,691,848)	(4,764,857)
Cash received from government grants		50,001	-
Interest received		20,504	42,164
Interest paid		(1,164)	(1,074)
Net cash used in operating activities	24	(2,691,705)	(6,202,756)
Cash flows from investing activities			
Disposal of exploration and development costs		(1,908)	-
Payments for plant and equipment		(2,257)	(160,808)
Net cash used in investing activities		(4,165)	(160,808)
Cash flows from financing activities			
Proceeds from issue of shares and exercise of options	19(a)	2,923,355	7,194,210
Share issue costs	19(a)	(273,286)	(518,176)
Lease payments		(22,200)	-
Security deposits paid		(24,968)	(95,632)
Net cash received from financing activities		2,602,901	6,580,402
Net increase/(decrease) in cash and cash equivalents		(92,969)	216,838
Cash at the beginning of the financial year		1,457,469	1,240,631
Cash and cash equivalents at the end of the financial year	10	1,364,500	1,457,469

* The 30 June 2019 Consolidated Statement of Cash Flows has been restated pursuant to the Company's voluntary change in accounting policy for exploration and evaluation expenditure (note 3(e)).

The Consolidated Statement of Cash Flows is to be read in conjunction with the notes to the financial statements.

Todd River Resources Limited

Notes to the financial statements

Consolidated Statement of Changes in Equity For the year ended 30 June 2020

	Issued Capital	Accumulated loss	Reserves	Total Equity
	\$	\$	\$	\$
At 1 July 2019 restated*	18,846,172	(13,118,751)	2,521,731	8,249,152
Loss for the year	-	(5,083,810)	-	(5,083,810)
Other comprehensive income	-	-	9,301	9,301
Total comprehensive loss	-	(5,083,810)	9,301	(5,074,509)
Transactions with owners recorded directly in equity				
Share placement	2,923,355	-	-	2,923,355
Share issue costs	(293,376)	-	20,090	(273,286)
Share based payments	25,000	-	-	25,000
Options expired	-	1,678,500	(1,678,500)	-
At 30 June 2020	21,501,151	(16,524,061)	872,622	5,849,712
At 1 July 2018*	12,171,388	(3,511,916)	1,914,231	10,573,703
Retrospective adjustment for change in accounting policy	-	(2,660,666)	-	(2,660,666)
Restated balance at 1 July 2018	12,171,388	(6,172,582)	1,914,231	7,913,037
Loss for the year	-	(6,946,169)	-	(6,946,169)
Total comprehensive loss	-	(6,946,169)	-	(6,946,169)
Transactions with owners recorded directly in equity				
Share placement	7,192,335	-	-	7,192,335
Share issue costs	(518,176)	-	-	(518,176)
Share based payments expense	-	-	562,500	562,500
Option exercise	625	-	-	625
Additional capital contribution by Owners/shareholders	-	-	45,000	45,000
At 30 June 2019	18,846,172	(13,118,751)	2,521,731	8,249,152

* The 1 July 2018 and 30 June 2019 Consolidated Statement Changes in Equity has been restated pursuant to the Company's voluntary change in accounting policy for exploration and evaluation expenditure (note 3(e)).

The Consolidated Statement of Changes in Equity is to be read in conjunction with the notes to the financial statements.

Todd River Resources Limited

Notes to the financial statements

1 REPORTING ENTITY

Todd River Resources Limited (the 'Company') is a listed public company domiciled in Australia. The address of the Company's registered office is Unit 4, 24 Parkland Road, Osborne Park, Western Australia 6017. The consolidated financial report of the Company as at and for the year ended 30 June 2020 comprises the Company and its subsidiary (together referred to as the 'Group'). The Group is a for profit entity and primarily is involved in the exploration of minerals within Australia.

2 BASIS OF PREPARATION

(a) Statement of compliance

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards (AASBs) adopted by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*. The consolidated financial report of the Group also complies with International Financial Reporting Standards and Interpretations adopted by the International Accounting Standards Board.

(b) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for share based payments which are measured at fair value (refer to note 3(i)(i)) and the revaluation of financial assets at fair value through other comprehensive income.

(c) Functional and presentation currency

These consolidated financial statements are presented in Australian dollars, which is also the Company's functional currency and the functional currency of all entities in the Group.

(d) Use of estimates and judgements

Set out below is information about:

- Critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements; and
- Assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year.

Critical Judgements

Estimates and assumptions

i. Exploration and evaluation assets

The ultimate recoverability of the value of exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale, of the underlying mineral exploration properties.

The Group undertakes at each reporting date, a review for indicators of impairment of these assets. Should an indicator of impairment exist, there is significant estimation and judgments in determining the inputs and assumptions used in determining the recoverable amounts.

The key areas of estimation and judgement that are considered in this review included:

- Recent drilling results and reserves/resource estimates;
- Environmental issues that may impact the underlying tenements;
- The estimated market value of assets at the review date;
- Independent valuations of underlying assets that may be available;
- Fundamental economic factors such as mineral prices, exchange rates and current and anticipated operating cost in the industry; and
- The group's market capitalisation compared to its net assets.

Information used in the review process is rigorously tested to externally available information as appropriate.

Changes in these estimates and assumptions as new information about the presence or recoverability of an ore reserve becomes available, may impact the assessment of the recoverable amount of exploration and evaluation assets. If, after having capitalised the expenditure a judgement is made that recovery of the expenditure is unlikely, an impairment loss is recorded in the profit or loss in accordance with accounting policy 3(e). The carrying amounts of exploration and evaluation assets are set out in note 13.

Todd River Resources Limited

Notes to the financial statements

2 BASIS OF PREPARATION (CONTINUED)

(d) Use of estimates and judgements (continued)

ii. Share based payments

The share based payments are recognised in accordance with the Company's accounting policy (refer note 3(i)(ii)) where the value of the share based payment is expensed from the grant date to vesting date. This valuation includes estimates and judgements about volatility, risk free rates, dividend yields, and underlying share price. Changes in these estimates and assumptions could impact on the measurement of share based payments.

iii. Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the consolidated entity based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the consolidated entity operates. The impact of the pandemic is considered in note 2(e).

(e) Going Concern

The spread of novel coronavirus (COVID-19) was declared a public health emergency by the World Health Organisation on 31 January 2020 and upgraded to a global pandemic on 11 March 2020. The rapid rise of the virus has seen an unprecedented global response by Governments, regulators and industry sectors. The Australian Federal Government enacted its emergency plan on 29 February 2020 which has seen the closure of Australian borders from 20 March, an increasing level of restrictions on corporate Australia's ability to operate, significant volatility and instability in financial markets and the release of a number of government stimulus packages to support individuals and businesses as the Australian and global economies face significant slowdowns and uncertainties.

For the year ended 30 June 2020, COVID-19 has impacted the Group, specifically as follows:

- Implications on the current period financial performance and cash flows (particularly operating cash flows).
- Details of financial support received from the Australian government.

As of 30 June 2020, the Group had a net working capital surplus of \$1,399,394 and cash balance of \$1,364,500. The Group did not have any capital commitments of as of 30 June 2020.

The Directors have prepared projected cash flow information for the twelve months from the date of approval of these financial statements taking into consideration the estimation of the continued business impacts of COVID-19. In response to the uncertainty arising from this, the Directors have considered severe but plausible downside forecast scenarios.

These forecasts indicate that, taking account of reasonably possible downsides, the Group is expected to continue to operate, with headroom and within available cash levels. Key to the forecasts are relevant assumptions regarding the business, business model, any legal or regulatory restrictions and shareholder support, in particular:

- Description of the different scenarios modelled including length of government-imposed lockdowns and recovery periods, risks, conditions or dependencies for these to occur.
- Details of the results of the key scenario modelling on the entity's ability to meet its obligations over the forecast period.
- Mitigating actions undertaken or planned by directors and group to manage and respond to cash flow uncertainties or potential risks of shortfall in financing and the implementation status and uncertainties that arise from them.

The Directors are satisfied they will be able to raise additional funds as required and thus it is appropriate to prepare the financial statements on a going concern basis. If necessary, the Company can delay exploration expenditures and Directors can also institute cost saving measures to further reduce corporate and administrative costs or explore divestment opportunities. In the event that the Company is unable to obtain sufficient funding for ongoing operating and capital requirements, there is a material uncertainty that may cast significant doubt as to whether the Company will continue as a going concern and therefore proceed with realising its assets and discharging its liabilities in the normal course of business at the amounts stated in the financial report. The financial statements do not include any adjustment relating to the recoverability or classification of recorded asset amounts or to the amounts or classification of liabilities that may be necessary should the Company not be able to continue as a going concern.

Todd River Resources Limited

Notes to the financial statements

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements, and have been applied consistently by Group entities.

(a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable or convertible are taken into account. The financial statements of subsidiaries are included in the consolidated financial report from the date that control commences until the date that control ceases.

(ii) Transactions eliminated on consolidation

Intragroup balances, and any unrealised gains and losses or income and expenses arising from intragroup transactions, are eliminated in preparing the consolidated financial statements.

Unrealised gains arising from transactions with associates are eliminated against the investment to the extent of the Group's interest in the entity. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Gains and losses are recognised as the contributed assets are consumed or sold by the associates, if not consumed or sold by the associate, when the Group's interest in such entities is disposed of.

(b) Income tax

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the period and any adjustment to tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax payable also includes any tax liability arising from the declaration of dividends.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting or taxable profit or loss.
- temporary differences related to investments in subsidiaries, associates or jointly controlled entities to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if certain criteria are met.

Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Todd River Resources Limited

Notes to the financial statements

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the statement of financial position date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

Tax consolidation

The Company and its wholly-owned Australian resident entity are part of a tax-consolidated group. As a consequence, all members of the tax-consolidated group are taxed as a single entity. The head entity within the tax-consolidated group is Todd River Resources Limited. Current tax liabilities and assets and deferred tax assets arising from unused tax losses and relevant tax credits of the members of the tax consolidated group are recognised by Todd River Resources Limited (as the head company of the tax-consolidated group).

Entities within the tax-consolidated group have not entered into a tax sharing or tax funding agreement with Todd River Resources Limited. The effect of not having entered into a tax sharing or tax funding agreement is that whilst Todd River Resources Limited (as the head company of the tax-consolidated group) will be liable for the income tax debts of the tax-consolidated group that are applicable to the period of consolidation, income tax debts may be recovered from subsidiary members in certain circumstances.

(c) Goods and services tax

- (i) Revenues, expenses and assets are recognised net of the amount of GST except where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable;
- (ii) Receivables and payables are stated with the amount of GST included;
- (iii) The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position;
- (iv) Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, are classified as operating cash flows; and
- (v) Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(d) Plant and equipment

(i) Recognition and measurement

Items of plant and equipment are stated at cost or deemed cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Where parts of an item of plant and equipment have different useful lives, they are accounted for as separate items of plant and equipment.

(ii) Subsequent costs

The Group recognises in the carrying amount of an item of plant and equipment the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied within the item will flow to the Group and the cost of the item can be measured reliably. All other costs are recognised in the Statement of Profit or loss and Other Comprehensive Income as an expense as incurred.

Todd River Resources Limited

Notes to the financial statements

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(iii) Depreciation

Depreciation is charged to the profit and loss on a straight-line basis over the estimated useful lives of each part of an item of plant and equipment. The estimated useful lives in the current and comparative periods are as follows:

Leasehold improvements	4 years
Plant and equipment	3 to 8 years
Software	2.5 years
Fixtures and fittings	3 to 8 years

The residual value, the useful life and the depreciation method applied to an asset are reassessed annually.

(e) Voluntary Change in Accounting Policy - Exploration and Evaluation assets

The financial report for the year ended 30 June 2020 has been prepared on the basis of a retrospective application of a voluntary change in accounting policy relating to exploration and evaluation expenditure. In previous financial reporting periods, the costs incurred in connection with exploration of areas with current rights of tenure were capitalised in the Statement of Financial Position. The criteria for carrying forward the costs were:

- Such costs were expected to be recovered through successful development and exploitation of the area or interest or alternatively by its sale; and
- Exploration and/or evaluation activities were continuing in the area or interest and had not yet reached a stage which permitted a reasonable assessment of the existence or otherwise of economically recoverable resources, and active and significant operations in, or in relation to, the area were continuing.

Costs carried forward in respect of an area of interest that was abandoned were written off in the year in which the decision to abandon was made.

The new accounting policy was adopted as of 1 July 2019 and has been applied retrospectively. Under the new policy exploration and evaluation expenditure is expensed to the Statement of Profit and Loss and Other Comprehensive Income in the year when it is incurred in respect of each identifiable area of interest until such time where a JORC 2012 compliant resources is announced in relation to the identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a state which permits reasonable assessment of the existence of economically recoverable reserves. Acquisition costs of exploration and evaluation assets continue to be capitalised in accordance with the above criteria.

Directors are of the opinion that the change in accounting policy provides users with more relevant and no less reliable financial information as the policy is more transparent and less subjective. Both the previous and new accounting policies are compliant with AASB 6 Exploration for and Evaluation of Mineral Resources. The impact of this change in accounting policy is reflected below.

The capitalised exploration and evaluation asset reported as at 30 June 2019 has decreased by \$7,532,596 and accumulated losses brought forward at 1 July 2019 has increased by \$7,532,596. The loss before income tax for the year ended 30 June 2019 has increased by \$4,871,930 and restated as \$6,946,169.

Basic and diluted loss per share have also been restated. The amount of the increase for the new result for the year ended 30 June 2019 of the change in accounting policy is stated as follows:

	2019
<u>Loss per share attributable to owners of the parent:</u>	
Basic loss per share (cents)	3.99
Diluted loss per share (cents)	3.99

Exploration and evaluation expenditure that is expensed is included as part of cash flows from operating activities, whereas previously capitalised exploration and evaluation expenditure was included as part of cash flows from investing activities. As a result for the year ended 30 June 2019, net cash used in operating activities has increased from \$1,437,899 to \$6,202,756 and net cash used in investing activities has decreased from \$4,925,665 to \$160,808.

Todd River Resources Limited

Notes to the financial statements

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Government grants

Government grants relating to costs are deferred and recognised in profit or loss over the period necessary to match them with the costs that they are intended to compensate.

(g) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

When the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit or loss and other comprehensive income net of any reimbursement.

Provisions are measured at the present value or management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability.

When discounting is used, the increase in the provision due to the passage of time is recognised as an interest expense.

(h) Share capital

Ordinary shares

Incremental costs directly attributable to issue of ordinary shares and share options are recognised as a deduction from equity, net of any related income tax benefit.

(i) Employee benefits

(i) Share based payments

Equity settled transactions

The Group provides benefits to employees (including senior executives) of the Group in the form of share-based payments, whereby employees render services in exchange for shares or rights over shares (equity-settled transactions). The current plan for the Company for share based payments is the Incentive Option Plan and this applies to employees and directors of the Company.

The cost of these equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an external valuer using a Black-Scholes model.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the Company's shares (market conditions) if applicable.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the vesting period).

The cumulative expense recognised for equity-settled transactions at each balance date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the Group's best estimate of the number of equity instruments that will ultimately vest. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The statement of profit or loss and other comprehensive income charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition.

Todd River Resources Limited

Notes to the financial statements

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share.

(ii) Short term benefits

Liabilities for employee benefits for wages, salaries, annual leave and sick leave represent present obligations resulting from employees' services provided to reporting date, calculated at undiscounted amounts based on remuneration wage and salary rates that the Group expects to pay as at reporting date including related on-costs, such as workers compensation insurance and payroll tax.

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all diluted potential ordinary shares, which comprise convertible notes and share options granted to employees.

(j) Interest Income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of revenue can be reliably measured. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that assets' net carrying amount on initial recognition.

(k) Segment reporting

Segment results that were reported to the Board include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. The Group operated predominately in one business segment and in one geographical location in both current and previous years.

(l) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the statement of cash flows presentation purposes, cash and cash equivalents also includes bank overdrafts, which are shown within borrowings in current liabilities on the statement of financial position.

(m) Trade and other payables

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

(n) New or amended Accounting Standards and Interpretations adopted

The Company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The following Accounting Standards and Interpretations that have been adopted in the current reporting period are most relevant to the Group:

Todd River Resources Limited

Notes to the financial statements

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

AASB 16 Leases

The Group has adopted AASB 16 from 1 July 2019. The standard replaces AASB 117 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognised lease liabilities (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results improve as the operating expense is now replaced by interest expense and depreciation in profit or loss. For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities. For lessor accounting, the standard does not substantially change how a lessor accounts for leases.

The Company has adopted AASB 16 from 1 July 2019, using the modified retrospective approach, with no restatement of comparative information.

The impact on the accounting policies, financial performance and financial position of the Group from the adoption of AASB 16 is detailed in Note 28.

Other than the above, there is no material impact of the new and revised Standards and Interpretations on the Group.

(o) Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

(p) Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Todd River Resources Limited

Notes to the financial statements

4 FINANCIAL RISK MANAGEMENT

Overview

This note presents information about the Group's exposure to credit, liquidity and market risks, their objectives, policies and processes for measuring and managing risk, and the management of capital.

The Group does not use any form of derivatives as it is not at a level of exposure that requires the use of derivatives to hedge its exposure. Exposure limits are reviewed by management on a continuous basis. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. Management monitors and manages the financial risks relating to the operations of the Group through regular reviews of the risks.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's trade and other receivables and cash and cash equivalents. For the Company it also arises from receivables due from subsidiaries.

Presently, the Group undertakes exploration and evaluation activities exclusively in Australia. At the statement of financial position date there were no significant concentrations of credit risk for the Group.

Cash and cash equivalents

The Group limits its exposure to credit risk by only investing in liquid securities and only with counterparties that have an acceptable credit rating. Cash and cash equivalents are held with Australian banks.

Trade and other receivables

As the Group operates primarily in exploration activities it does not carry a material balance of trade receivables and therefore is not exposed to credit risk in relation to trade receivables. Other receivables mainly comprise of GST receivables.

Exposure to credit risk

The carrying amount of the Group's financial assets represents the maximum credit exposure. The Group's maximum exposure to credit risk at the reporting date was:

	Note	Consolidated Carrying amount	
		2020 \$	2019 \$
Cash and cash equivalents	10a	1,364,500	1,457,469
Restricted cash	10b	196,135	171,167
Other receivables	11	11,633	6,716
		1,572,268	1,635,352

None of the Group's other receivables are past due.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group manages liquidity risk by maintaining adequate cash reserves from funds raised in the market and by monitoring forecast and actual cash flows.

Todd River Resources Limited

Notes to the financial statements

4 FINANCIAL RISK MANAGEMENT (CONTINUED)

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

Consolidated 30 June 2020

	Note	Carrying amount \$	Contractual cash flows \$	<3 months \$
Trade and other payables	16	142,042	142,042	142,042
		142,042	142,042	142,042

30 June 2019

		Carrying amount \$'000	Contractual cash flows \$'000	<3 months \$'000
Trade and other payables	16	603,637	603,637	603,637
		603,637	603,637	603,637

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Group's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Interest rate risk

The Group is exposed to interest rate risk (primarily on its cash and cash equivalents), which is the risk that a financial instrument's value will fluctuate as a result of changes in the market interest rates on interest-bearing financial instruments. The Group does not use derivatives to mitigate these exposures.

The Group adopts a policy of ensuring that as far as possible it maintains excess cash and cash equivalents in high interest bearing accounts.

Profile

At the reporting date the interest rate profile of the Group's interest-bearing financial instruments was:

Consolidated

	Note	Carrying amount	
		2020 \$	2019 \$
Variable rate instruments			
Cash and cash equivalents		1,364,500	1,457,469
Fixed rate instruments			
Security deposits		196,135	171,167
		1,560,635	1,628,636

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased or decreased the Group's equity by \$13,645 (2019: \$14,575) and profit or loss by \$13,645 (2019: \$20,777).

The Group operates primarily in the exploration and evaluation phase and accordingly the Group's financial assets and liabilities are subject to minimal commodity price risk.

Todd River Resources Limited

Notes to the financial statements

4 FINANCIAL RISK MANAGEMENT (CONTINUED)

Capital Management

The Group has defined total equity as paid up share capital net of accumulated losses and reserves.

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so as to maintain a strong capital base sufficient to maintain future exploration and development of its projects. In order to maintain or adjust the capital structure, the Group may return capital to shareholders, issue new shares or sell assets or reduce debt. The Group's focus has been to raise sufficient funds through equity to fund exploration and evaluation activities.

There were no changes in the Group's approach to capital management during the year. Risk management policies and procedures are established with regular monitoring and reporting.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

5 INCOME AND EXPENSES

	Note	Consolidated 2020 \$	2019 \$
(a) Other income			
Government Grant – COVID-19 Cashflow Boost		62,501	-
Other income		-	31,643
Other income		62,501	31,643
(b) Net financial income			
Interest income		21,087	45,210
Finance expense		(2,780)	(1,074)
Net finance income		18,307	44,136
(c) Impairment loss exploration expenditure			
Impairment		2,618,324	186,752
Total Impairment loss		2,618,324	186,752
(d) Corporate and Administration expenses			
Travel, accommodation and conferences		26,163	115,199
Share registry and ASX compliance fees		59,401	109,223
Audit and tax consulting fees		34,519	27,019
Legal fees		36,433	80,485
Promotional		73,720	102,655
Contractors and consultancy		177,459	185,416
Occupancy		71,147	82,956
Other		63,421	124,740
Total Corporate and Administration		542,263	827,693
(e) Employment expenses			
Wages and salaries		410,961	557,991
Equity settled share- based payment transaction		-	562,500
Total Employment expenses		410,961	1,120,491

Todd River Resources Limited

Notes to the financial statements

6 AUDITOR'S REMUNERATION

	Consolidated	
	2020	2019
	\$	\$
Auditors of the Group		
<i>KPMG Australia:</i>		
Audit and review of financial reports	-	539
<i>HLB Mann Judd:</i>		
Audit and review of financial reports	33,019	28,680
	33,019	29,219

7 INCOME TAX

	Consolidated	
	2020	2019
	\$	\$
A reconciliation between tax expense and pre-tax loss:		
Accounting (loss) before income tax	(5,083,810)	(6,946,169)
At the domestic tax rate of 27.5% (2019: 27.5%)	(1,398,048)	(1,910,196)
<i>Reconciling items</i>		
Share-based payments – non deductible for income tax purposes	-	154,688
Other non-deductible/non-assessable items	(13,471)	683
Adjustment for prior year	-	(20,672)
Tax losses and temporary differences not brought to account	1,411,519	1,775,497
Income tax expense reported in the income statement	-	-
Unused tax losses carried forward	14,473,157	11,849,994
Potential tax benefit @ 27.5% (2019: 27.5%)	3,980,118	3,258,748
Remaining deferred tax assets after offset against deferred tax liabilities	484,501	-
Tax losses offset against deferred tax liabilities	-	(264,747)
Unrecognised tax benefit	4,464,619	2,994,001

All unused tax losses were incurred by Australian entities.

Todd River Resources Limited and its 100% owned Australian subsidiary formed a tax consolidated group with effect from 23 March 2017. Todd River Resources Limited is the head entity of the tax consolidated group. Members of the group have not entered into a tax sharing agreement. All unused tax losses belong to the head entity being Todd River Resources Limited.

Potential future income tax benefits net of deferred tax liabilities attributable to tax losses (both consolidated and Parent Entity) have not been brought to account because the Directors do not believe it is appropriate to regard realisation of the future income tax benefits as probable.

The benefits of these tax losses will only be obtained if:

- (i) future assessable income is derived of a nature and of an amount sufficient to enable the benefit to be realised;
- (ii) the conditions for deductibility imposed by tax legislation continue to be complied with; and
- (iii) no changes in tax legislation adversely affect the Group in realising the benefit.

Deferred income tax

	Consolidated	
	2020	2019
	\$	\$
Statement of financial position		
Deferred income tax relates to the following:		
<i>Deferred Tax Liabilities</i>		
Exploration and evaluation assets	-	280,552
Other	2,718	6,231
<i>Deferred Tax Assets</i>		
Exploration and evaluation assets	(465,644)	-
Other	(21,575)	(22,036)
Deferred tax assets used to offset deferred tax liabilities (tax losses)	-	(264,747)
Deferred tax assets (excluding tax losses) in excess of deferred tax liabilities	484,501	-
	-	-

Todd River Resources Limited

Notes to the financial statements

8 EARNINGS/LOSS PER SHARE

The calculation of basic loss per share for the year ended 30 June 2020 was based on the loss attributable to ordinary shareholders of \$5,083,810 and a weighted average number of ordinary shares on issue during the year ended 30 June 2020 of 222,339,933

Loss attributable to ordinary shareholders

	2020 \$	Restated 2019 \$
(Loss) for the period	(5,083,810)	(6,946,169)
(Loss) attributable to ordinary shareholders	(5,083,810)	(6,946,169)

	2020 Cents	Restated 2019 Cents
Basic loss per share	2.29	5.69
Diluted loss per share	2.29	5.69

Weighted average number of ordinary shares

	2020 Numbers	2019 Numbers
Number of ordinary shares at 1 July	151,448,247	65,000,100
Effect of shares issued	70,891,686	57,117,956
Weighted average number of ordinary shares at 30 June	222,339,933	122,118,056

Effect of dilutive securities

Todd River's potential ordinary shares at 30 June 2020, being its options, are not considered dilutive as the conversion of these options would not increase the net loss per share.

At balance date the Group has options which were not yet exercised as per note 19.

9 SEGMENT INFORMATION

The Board has determined that the Group has one reportable segment, being mineral exploration in Australia. As the Group is focused on mineral exploration, the Board monitors the Group based on actual versus budgeted consolidated results. This internal reporting framework is the most relevant to assist the Board in making decisions regarding the Group and its ongoing exploration activities, while also taking into consideration the results of exploration work that has been performed to date. The financial results from this segment are equivalent to the financial statements of the Group as a whole.

All of the Group's assets are located in one geographical segment being Australia.

10 CASH

(a) Cash and cash equivalents

	Consolidated 2020 \$	2019 \$
Cash at bank	1,364,500	1,457,469
	1,364,500	1,457,469

Todd River Resources Limited

Notes to the financial statements

10 CASH (CONTINUED)

(b) Restricted cash

	Consolidated	
	2020	2019
	\$	\$
Security deposits	196,135	171,167
	196,135	171,167

11 OTHER RECEIVABLES

	Consolidated	
	2020	2019
	\$	\$
Current		
Other receivables	3,630	3,047
GST receivables	8,003	3,669
	11,633	6,716

Due to the short term nature of other receivables and prepayments, their carrying amount is considered to be the same as their fair value.

12 INVESTMENTS

		Consolidated	
		2020	2019
		\$	\$
Financial assets carried at fair value through other comprehensive income	(a)	59,301	-
Other investments	(b)	75,471	-
		134,772	-

(a) On 17 December 2019, Core Lithium Ltd (ASX: CXO) issued 1,317,792 shares as consideration for the purchase of the Group's Walabanba project. The shares were revalued at 30 June 2020 in line with the Group's accounting policy to their fair value. The directors have made an irrevocable election to account for the shares as at fair value through other comprehensive income as the investment will be held for the medium to long term.

	Consolidated	
	2020	2019
	\$	\$
Financial assets carried at fair value through other comprehensive income:		-
Listed shares – Level 1		
<i>Fair value at the beginning of the period</i>	-	-
Acquisition – Core Lithium Ltd	50,000	-
Changes in the fair value during the period	9,301	-
Fair value at the end of the period	59,301	-

(b) On 1 July 2020 the Company announced that it had entered into two binding sale agreements to purchase 100% of private companies Marlee Base Metals Pty Ltd and Moonknight Pty Ltd. The acquisition costs incurred, prior to balance date have been capitalised. Refer to Note 29 for further details.

Todd River Resources Limited

Notes to the financial statements

13 EXPLORATION AND EVALUATION EXPENDITURE

	Consolidated 2020 \$	Restated* 2019 \$
Cost		
Balance at 1 July	7,067,113	7,171,513
Disposal of tenements ¹	(254,216)	-
Impairment expense ²	(2,618,324)	(104,400)
Balance at 30 June	4,194,573	7,067,113

The ultimate recoupment of costs carried forward for exploration and evaluation phases is dependent on the successful development and commercial exploitation or sale of the respective areas. At 1 July 2019, the Group changed the accounting policy for exploration and evaluation expenditure, whereby exploration and evaluation expenditure will be expensed as incurred to the Statement of Profit or Loss and Other Comprehensive Income until such time where a JORC 2012 compliant resources is announced in relation to the identifiable area of interest. Acquisition costs of exploration and evaluation assets continue to be capitalised.

¹ The Group sold its interest in Walabanba on 17 December 2019 to Core Lithium Ltd (ASX: CXO) for 1,317,792 shares in CXO valued at \$50,000 as proceeds of the sale. The Group incurred a loss of \$206,124 on the disposal.

² As at 30 June 2020, management performed an impairment assessment and recognised an impairment loss of \$2,618,324 for the year, in relation to relinquished tenements.

14 PROPERTY, PLANT AND EQUIPMENT

	Consolidated 2020 \$	2019 \$
Plant and equipment at cost	168,177	165,920
Less: Accumulated depreciation	(61,221)	(15,675)
	106,956	150,245

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	Plant and equipment \$	Total \$
Balance at 1 July 2018	4,519	4,519
Additions	160,808	160,808
Depreciation expense	(15,082)	(15,082)
Balance at 30 June 2019	150,245	150,245
Additions	2,257	2,257
Depreciation expense	(45,546)	(45,546)
Balance at 30 June 2020	106,956	106,956

Todd River Resources Limited

Notes to the financial statements

15 RIGHT-OF-USE ASSETS

	Consolidated	
	2020	2019
	\$	\$
Carrying value		
Cost	35,042	-
Accumulated depreciation	(21,025)	-
Carrying value	14,017	-
	Premises	Total
	\$	\$
Reconciliation		
Recognised on 1 July 2019 on adoption of AASB16	35,042	35,042
Depreciation expense	(21,025)	(21,025)
Closing balance	14,017	14,017

The company leases office premises. The average lease term is 2 years.

16 TRADE AND OTHER PAYABLES

	Consolidated	
	2020	2019
	\$	\$
Current		
Trade payables ¹	31,959	479,975
Trade creditor S2 Resources Ltd ²	7,357	25,163
Other payables ¹	102,726	98,499
	142,042	603,637

¹Trade and other payables are normally settled on a 30-day basis.

²Administrative and geological costs on charged by S2 Resources Ltd as per the Shared Services Agreement (refer Note 26)

17 EMPLOYEE BENEFITS

	Consolidated	
	2020	2019
	\$	\$
Annual leave	35,653	38,723
Long service leave	17,275	-
	52,928	38,723

The current provision for employee benefits includes all unconditional entitlements where employees have completed the required period of service and also those where employees are entitled to pro-rata payments in certain circumstances. The entire amount is presented as current, since the Company does not have an unconditional right to defer settlement. However, based on past experience, the Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

Todd River Resources Limited

Notes to the financial statements

18 LEASE LIABILITIES

	Consolidated	
	2020 \$	2019 \$
Current liabilities	14,457	-
Non-current liabilities	-	-
	14,457	-
	Premises \$	Total \$
Reconciliation		
Recognised on 1 July 2019 on adoption of AASB16	35,042	35,042
Principal repayments	(20,585)	(20,585)
Closing balance	14,457	14,457

The company leases office premises. The average lease term is 2 years.

Underlying assets serve as security for the related lease liabilities. A maturity analysis of future minimum lease payments is presented below:

	<1 year \$	1-2 years \$	2-3 years \$	3-4 years \$	4-5 years \$	>5 years \$	Total \$
Reconciliation							
Lease payments	14,800	-	-	-	-	-	14,800
Interest	(343)	-	-	-	-	-	(343)
Net present values	14,457	-	-	-	-	-	14,457

19 CAPITAL

	Consolidated	
	2020 \$	2019 \$
Issued and paid-up share capital	21,501,151	18,846,172

(a) Movements in shares on issue

	2020		2019	
	Number	\$	Number	\$
Balance at the beginning of year	151,448,247	18,846,172	65,000,100	12,171,388
Share placement at \$0.09 per share on 4 July 2018 ¹	-	-	11,975,031	937,080
Share placement at \$0.08 per share on 18 September 2018	-	-	4,270,000	341,600
Options exercised at \$0.25 per share on 14 September 2018	-	-	2,500	625
Share placement at \$0.08 per share on 23 October 2018	-	-	4,912,808	390,453
Share placement at \$0.08 per share on 8 November 2018 ²	-	-	8,230,000	658,400
Share placement at \$0.0852 per share on 30 November 2018	-	-	57,057,808	4,866,052
Share placement at \$0.031 per share on 10 September 2019	32,259,000	1,000,029	-	-
Share placement at \$0.031 per share on 11 October 2019	28,399,090	880,372	-	-
Share placement at \$0.031 per share on 14 October 2019	33,643,687	1,042,954	-	-
Shares issued for acquisition ⁴	833,333	25,000	-	-
Options exercised but shares not issued ³	-	-	-	(1,250)
Share issue costs	-	(293,376)	-	(518,176)
Balance at end of year	246,583,357	21,501,151	151,448,247	18,846,172

Todd River Resources Limited

Notes to the financial statements

19 CAPITAL (CONTINUED)

¹ On 4 July 2018, TRT issued 11,975,031 capital shares at an issue price of \$0.09 per share raising \$1,077,753 before costs. This related to a completion of a capital raising as per the ASX announcement on 27 June 2018. However \$140,673 was received in financial year ended 30 June 2018 and the remaining funds of \$937,080 was received in July 2018.

² This included an issue of free attaching listed options exercisable at \$0.25 on or before 22 March 2020.

³ The Company had received funds upon options exercise at \$0.25 per option but unintentionally, no shares were issued. Funds were reimbursed to the option holder in the next financial year.

⁴ The Company issued 833,333 shares to Cratonix Pty Ltd for the purchase of Nanutarra project on 3 December 2019 at \$0.03 per share.

Terms and conditions of contributed equity

Holders of ordinary shares are entitled to receive dividends that may be declared from time to time and are entitled to one vote per share at shareholders' meetings. In the event of winding up of the Company, ordinary shareholders rank after all other shareholders and creditors and are fully entitled to any proceeds from liquidation. Effective 1 July 1998, the *Company Law Review Act* abolished the concept of par value shares and authorised capital. Accordingly, the Company does not have authorised capital or par value in respect of its issued shares.

(b) Movements in Options

	Opening balance	Granted in year	Exercised in year	Expired/ cancelled in year	Closing Balance
Listed options					
Exercisable at \$0.25 on or before 22 Mar 2020	24,485,016	-	-	(24,485,016)	-
Total listed options	24,485,016	-	-	(24,485,016)	-
Unlisted options					
Exercisable at \$0.30 on or before 22 Mar 2020	12,500,000	-	-	(12,500,000)	-
Exercisable at \$0.175 on or before 1 May 2021	1,000,000	-	-	-	1,000,000
Exercisable at \$0.131 on or before 3 Nov 2021	10,000,000	-	-	-	10,000,000
Exercisable at \$0.134 on or before 7 Nov 2021	1,000,000	-	-	-	1,000,000
Exercisable at \$0.112 on or before 15 Nov 2022	-	2,870,000 ¹	-	-	2,870,000
Total unlisted options	24,500,000	2,870,000	-	(12,500,000)	14,870,000
Total options	48,985,016	2,870,000	-	(36,985,016)	14,870,000

¹ Refer to Note 25 for details.

Share options carry no rights to dividends and no voting rights.

(c) Dividends

No dividends were declared or paid during the 2020 financial year.

Todd River Resources Limited

Notes to the financial statements

20 RESERVES

	Consolidated	
	2020 \$	2019 \$
Financial assets at fair value through other comprehensive income reserve	-	-
Share based payments reserve	9,301	2,281,000
Capital contribution reserve	622,590	240,731
	240,731	240,731
	872,622	2,521,731

Financial assets at fair value through other comprehensive income reserve

The reserve is used to recognise increments and decrements in the fair value of financial assets at fair value through other comprehensive income.

Share based payments reserve

The reserve is used to recognise the value of share based payments.

Capital contributions reserve

The reserve is used to recognise the value of additional capital contributions by owners or shareholders. The capital contribution balance relates to TNG Limited who was a major shareholder of the Group during the financial year ended 30 June 2018.

Movement in reserves

	Financial assets at fair value through OCI \$	Share based payments \$	Capital contribution \$	Total \$
Consolidated				
Balance at 1 July 2020	-	2,281,000	240,731	2,521,731
Revaluation	9,301	-	-	9,301
Expired options	-	(1,678,500)	-	(1,678,500)
Shares issued to advisors	-	20,090	-	20,090
Balance at 30 June 2020	9,301	622,590	240,731	872,622

21 COMMITMENTS

Exploration expenditure commitments

In order to maintain current rights of tenure to exploration tenements, the Group is required to perform minimum exploration work to meet the minimum expenditure requirements specified by various State governments. These requirements are subject to renegotiation when application for a mining lease is made and at other times. These obligations are not provided for in the financial report.

	Consolidated	
	2020 \$	2019 \$
Exploration commitments payable not provided for in the financial report:		
Within one year	632,500	1,127,500

Todd River Resources Limited

Notes to the financial statements

22 CONTINGENT LIABILITIES

The details and estimated maximum amounts of contingent liabilities that may become payable are set out below. The Directors are not aware of any circumstance or information which could lead them to believe that these liabilities will crystallise and consequently no provisions are included in the financial statements in respect of these matters.

	Consolidated	
	2020	2019
	\$	\$
Guarantees		
A guarantee has been provided to support unconditional environmental performance bonds	106,135	81,167
<i>Total estimated contingent liabilities</i>	<i>106,135</i>	<i>81,167</i>

The unconditional environmental performance bonds have been paid to the Department of Primary and Industry Resources for various tenements.

Indemnities have been provided to Directors and certain executive officers of the Company in respect of liabilities to third parties arising from their positions, except where the liability arises out of conduct involving a lack of good faith. No monetary limit applies to these agreements and there are no known obligations outstanding at 30 June 2020.

23 CONTROLLED ENTITIES

<i>Subsidiaries</i>	Country of Incorporation	2020 % of Ownership	2019 % of Ownership
Todd River Metals Pty Ltd	Australia	100	100

24 NOTES TO THE STATEMENTS OF CASH FLOWS

Reconciliation of cash flows from operating activities

	Consolidated	
	2020	Restated 2019
	\$	\$
Loss for the period	(5,083,810)	(6,946,169)
Add/(less) non-cash items:		
Share based payments	25,000	562,500
Interest expense – right of use asset	1,616	-
Loss on sale of exploration asset	206,124	-
Depreciation expense	66,571	15,082
Impairment loss on exploration expenditure	2,618,324	186,752
	(2,166,175)	(6,181,835)
Change in assets and liabilities:		
Decrease/(increase) in receivables and prepayments	(2,667)	57,043
Decrease/(increase) in payables and provisions	(522,863)	(77,964)
Net cash used in operating activities	(2,691,705)	(6,202,756)

Todd River Resources Limited

Notes to the financial statements

25 SHARE BASED PAYMENTS

The following share based payments were in existence during the current reporting year:

Options series	Grant Date	Expiry Date	Exercise Price	Number
1	1 May 2018	1 May 2021	\$0.175	1,000,000
2	5 Nov 2018	4 Nov 2021	\$0.131	10,000,000
3	8 Nov 2018	7 Nov 2021	\$0.134	1,000,000
4	13 Nov 2019	15 Nov 2022	\$0.112	2,870,000

- (1) The 1,000,000 options in series 1 which vested immediately were issued to the Chief Executive Officer, William Dix who was appointed as Manager Director on 30 November 2018, of the Group.
- (2) The 10,000,000 options in series 2 which vested immediately were issued to the Directors of the Group.
- (3) The 1,000,000 options in series 3 which vested immediately were issued to the Company Secretary of the Group.
- (4) The 2,870,000 options in series 4 which vested immediately were issued to a nominee of Hartleys Limited as part of fees for acting as lead manager and underwriter of the entitlement offer. The value of these options has been modified in share issue costs.

The following inputs are use in the measurement of fair values of options:

	Issue 1	Issue 2	Issue 3	Issue 4
Dividend yield	0.00%	0.00%	0.00%	0.00%
Share price at date of grant	\$0.084	\$0.09	\$0.09	\$0.035
Exercise price	\$0.175	\$0.131	\$0.134	\$0.112
Volatility	100%	100%	100%	75%
Risk free rate	2.18%	2.10%	2.10%	0.77%
Expiration date	1 May 2021	4 Nov 2021	7 Nov 2021	15 Nov 2022
Binomial valuation	\$0.040	\$0.05	\$0.049	\$0.007

The total expense of the share based payments for the year was:

	Note	Consolidated 2020 \$	2019 \$'000
Total expense recognised as employee expenses	5(e)	-	549,000
Prior period valuation adjustment	5(e)	-	13,500
Total expense recognised in share issue costs		20,090	-
		20,090	562,500

The number and weighted average exercise prices of share options is as follows:

	Consolidated			
	Weighted average exercise price 2020 \$	Number of options 2020	Weighted average exercise price 2019 \$	Number of options 2019
Outstanding at 1 July	0.223	28,000,000	0.263	17,000,000
Expired during the period	(0.289)	(16,000,000)	-	-
Exercised during the year	-	-	-	-
Granted during the period	0.112	2,870,000	0.131	11,000,000
Outstanding during the period	0.130	14,870,000	0.223	28,000,000
Exercisable at 30 June	0.130	14,870,000	0.223	28,000,000

The options outstanding at 30 June 2020 have a remaining contractual life between 10 and 28 months respectively and an exercise price ranging from \$0.112 to \$0.175.

Todd River Resources Limited

Notes to the financial statements

26 RELATED PARTIES

(a) S2 Resources Ltd

On 5 March 2019, the Company entered into a Shared Services Agreement with S2 Resources Ltd ("S2R"). The fees and costs associated with the agreement included 40% of S2R's budgeted administrative expenditure per month in lieu of the facilities provided by S2R. S2R also provide personnel on a consulting basis for geological, GIS, financial and office administration services to Todd River Resources as part of the agreement. \$109,329 had been incurred for the financial year ended 30 June 2020 (2019: \$122,753) and has been included in Corporate and Administrative expenses and capitalised Exploration and Evaluation expenditures.

(b) Compensation of key management personnel

Key management personnel compensation comprised the following:

Compensation by category	Consolidated	
	2020 \$	2019 \$
<i>Key Management Personnel</i>		
Short-term	539,697	636,912
Post-employment	30,883	28,859
Other benefits	2,601	12,577
Share-based payments	-	562,500
	573,181	1,240,848

Information regarding individual KMP compensation and equity disclosures as required by the Corporations Act s300A is provided in the Remuneration Report section of the Directors' Report.

(c) Other transactions with key management personnel

The terms and conditions of the transactions with key management personnel and their related parties were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-key management personnel related entities on an arm's length basis.

During the financial year ended 30 June 2020, SLR Consulting Pty Ltd (of which Mr Simon Robertson is a related party), was paid consulting fees of \$55,400. Mr Robertson's fees are disclosed in the Remuneration Report.

Todd River Resources Limited

Notes to the financial statements

27 PARENT ENTITY INFORMATION

For the financial year ended 30 June 2020 the parent entity of the Group was Todd River Resources Limited. The summary of financial information is as follows.

	2020 \$	2019 \$
Current assets	1,497,247	1,546,135
Non-current assets	182,427	14,009,250
Total assets	1,679,674	15,555,385
Current liabilities	179,695	227,300
Total liabilities	179,695	227,300
Net assets	1,499,979	15,328,085
Issued capital	21,501,151	18,846,172
Reserves	863,321	2,521,731
Accumulated losses	(20,864,493)	(6,039,818)
Total equity	1,499,979	15,328,085
Loss of the parent entity	(16,956,839)	(1,566,475)
Total comprehensive loss of the parent entity	(16,956,839)	(1,566,475)

Tax consolidation

Todd River Resources Limited and its 100% owned Australian subsidiary formed a tax consolidated group. Todd River Resources Limited is the head entity of the tax consolidated group. Members of the group have not entered into a tax sharing agreement.

28. NEW STANDARDS ADOPTED

AASB 16 Leases

Change in accounting policy

AASB 16 Leases supersedes AASB 117 Leases. The Company has adopted AASB 16 from 1 July 2019 which has resulted in changes in the classification, measurement and recognition of leases. The changes result in almost all leases where the Company is the lessee being recognised on the Statement of Financial Position and removes the former distinction between 'operating' and 'finance' leases. The new standard requires recognition of a right-of-use asset (the leased item) and a financial liability (to pay rentals). The exceptions are short-term leases and leases of low value assets.

The Company has adopted AASB 16 using the modified retrospective approach under which the reclassifications and the adjustments arising from the new leasing rules are recognised in the opening Condensed Statement of Financial Position on 1 July 2019. Under this approach, there is no initial Impact on retained earnings under this approach, and comparatives have not been restated.

The Company leases premises. Prior to 1 July 2019, leases were classified as operating leases. Payments made under operating leases were charged to profit or loss on a straight-line basis over the period of the lease.

From 1 July 2019, where the Company is a lessee, the Company recognises a right-of-use asset and a corresponding liability at the date which the lease asset is available for use by the Company (i.e. commencement date). Each lease payment is allocated between the liability and the finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a consistent period rate of interest on the remaining balance of the liability for each period.

The lease liability is initially measured at the present value of the lease payments that are not paid at commencement date, discounted using the rate implied in the lease. If this rate is not readily determinable, the Company uses its incremental borrowing rate.

Todd River Resources Limited

Notes to the financial statements

28. NEW STANDARDS ADOPTED (CONTINUED)

Lease payments included in the initial measurement of the lease liability consist of:

- Fixed lease payments less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at commencement date;
- Any amounts expected to be payable by the Company under residual value guarantees;
- The exercise price of purchase options, if the Company is reasonably certain to exercise the options; and
- Termination penalties of the lease term reflects the exercise of an option to terminate the lease.

Subsequent to initial recognition, the lease liability is measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made. The lease liability is remeasured (with a corresponding adjustment to the right-of-use asset) whenever there is a change in the lease term (including assessments relating to extension and termination options), lease payments due to changes in an index or rate, or expected payments under guaranteed residual values.

Right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before commencement date, less any lease incentives received and any initial direct costs. These right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses.

Where the terms of a lease require the Company to restore the underlying asset, or the Company has an obligation to dismantle and remove a leased asset, a provision is recognised and measured in accordance with AASB 137. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset.

Right-of-use assets are depreciated on a straight-line basis over the term of the lease (or the useful life of the leased asset if this is shorter). Depreciation starts on commencement date of the lease.

Where leases have a term of less than 12 months or relate to low value assets, the Company has applied the optional exemptions to not capitalise these leases and instead account for the lease expense on a straight-line basis over the lease term.

Impact on adoption of AASB 16

On adoption of AASB 16, the Company recognised lease liabilities in relation to leases which had previously been classified as operating leases under the principles of AASB 117. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 July 2019. The weighted average lessee's incremental borrowing rate applied to lease liabilities on 1 July 2019 was 6.47%.

On initial application right-of-use assets were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the Statement of Financial Position as at 30 June 2019.

In the Statement of Cash Flows, the Company has recognised cash payments for the principal portion of the lease liability within financing activities, cash payments for the interest portion of the lease liability as interest paid within operating activities and short-term lease payments and payments for lease of low-value assets within operating activities.

The adoption of AASB 16 resulted in the recognition of right-of-use assets of \$35,042 and lease liabilities of \$35,042 in respect of all operating leases, other than short-term leases and leases of low-value assets.

The net impact on accumulated losses on 1 July 2019 was \$nil.

Practical expedients applied

In applying AASB 16 for the first time, the Company has used the following practical expedients permitted by the standard:

- Using hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

Todd River Resources Limited

Notes to the financial statements

29 EVENTS SUBSEQUENT TO BALANCE DATE

On 1 July 2020, the Company announced that it had entered into two binding sale agreements to purchase 100% of private companies Marlee Base Metals Pty Ltd (Marlee) and Moonknight Pty Ltd. Consideration for the purchase of both companies is \$100,000 cash and 100,000,001 Todd River shares. After completion the Company will hold 270km² land position in the South West Yilgarn Craton with numerous nickel-copper anomalous mafic-ultramafic intrusive bodies over more than 40 kilometres of strike extent. The Marlee transaction also includes ownership of Marlee's three additional magmatic Ni-Cu-PGE and sedex Cu targets in Western Australia. Dr Mark Bennett is on the technical advisory committee of Marlee and has a non-controlling interest. Each sale agreement is inter-conditional on completion of the other occurring, the Company's satisfactory due diligence and shareholders approving the issue of 100,000,001 Todd River shares. The issue of shares was approved by shareholders at a general meeting on 26 August 2020 and subsequent to the general meeting, the transaction will be subject to completion requirements as per the sale agreement.

Also at the general meeting on 26 August 2020, the shareholders approved the issue of 10 million and 6 million options to directors and consultants respectively. The options will be issued under the Incentive Option Plan to the Directors of the Company and each option will be exercisable at a price equal to 1.43 multiplied by the 5-day VWAMP of Shares and will expire three years after the date they are issued. The options issued to consultants will be issued directly to each party involved and each option has the same terms as described for the Directors. No options have been issued at the date of this report.

On 17 August 2020, the Company announced it was seeking to raise approximately \$4 million (before costs) through a placement of up to approximately 136 million fully paid ordinary shares at an issue price of \$0.03 per share to qualified sophisticated investors. The issue price represents a 20% discount to the 10 day VWAP of \$0.038 per share. The placement will be undertaken in two tranches:

- The first tranche of approximately 60.6 million shares of \$1.82 million (before costs) was issued and cash received on Friday 21 August 2020.
- The second tranche of approximately 75.3 million shares of \$2.26 million (before costs) will be subject to shareholder approval due to take place in October 2020.

There have been no other matters or circumstances which have arisen since 30 June 2020 that have significantly affected or may significantly affect:

- d) the Group's operations in futures years,
- e) the results of those operations in future financial years, or
- f) the Group's state of affairs in future financial years.

Todd River Resources Limited

- 1 In the opinion of the directors of Todd River Resources Limited (the “Company”):
 - a) the financial statements and notes, and the Remuneration report in the Directors’ report, set out on pages 22 to 50, are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the Group’s financial position as at 30 June 2020 and of its performance, for the financial year ended on that date; and
 - (ii) complying with Accounting Standards and Corporation Regulations 2001, and
 - 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.
- 2 The directors have been given the declarations required by Section 295A of the Corporations Act 2001 from the Chief Executive Officer (or equivalent) for the financial year ended 30 June 2020.
- 3 The directors draw attention to note 2(a) of the consolidated financial statements which includes a statement of compliance with International Financial Reporting Standards.

Signed in accordance with the resolution of the directors:



William Dix
Managing Director
31 August 2020

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the consolidated financial report of Todd River Resources Limited for the year ended 30 June 2020, 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 audit; and
- b) any applicable code of professional conduct in relation to the audit.

HLB Mann Judd

Perth, Western Australia

31 August 2020

L Di Giallonardo

L Di Giallonardo
Partner

INDEPENDENT AUDITOR'S REPORT

To the members of Todd River Resources Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Todd River Resources Limited ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2020, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the Group's financial position as at 30 June 2020 and of its financial performance for the year then ended; and
- b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group 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* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

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

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

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Key Audit Matter	How our audit addressed the key audit matter
Carrying amount of exploration and evaluation expenditure Refer to Note 13. The carrying amount of exploration and evaluation expenditure as at 30 June 2020 is \$4,194,573. The Group changed its accounting policy during the year to capitalise acquisition costs related to exploration and evaluation expenditure and to expense all subsequent expenditure incurred after acquisition. The previous policy capitalised all such expenditure as detailed in Note 3 (e). Our audit focussed on the Group's assessment of the carrying amount of the capitalised exploration and evaluation asset, as this is the most significant asset of the Group. In addition, our audit focussed on the accounting for the change of accounting policy, as well as disclosures relating to this in the financial report. We planned our work to address the audit risk that the capitalised expenditure may no longer meet the recognition criteria of the standard. In addition, we considered it necessary to assess whether facts and circumstances existed to suggest that the carrying amount of the exploration and evaluation asset may exceed its recoverable amount.	Our procedures included but were not limited to the following: • We obtained an understanding of the key processes associated with management's review of the carrying values of each area of interest; • We considered the Directors' assessment of potential indicators of impairment; • We obtained evidence that the Group has current rights to tenure of its areas of interest; • We examined the exploration budget for the year ending 30 June 2021 and discussed with management the nature of planned ongoing activities; • We enquired with management, reviewed ASX announcements and reviewed minutes of Directors' meetings to ensure that the Group had not resolved to discontinue exploration and evaluation at any of its areas of interest; • We considered the justification for the change in accounting policy; and • We examined the disclosures made in the financial report relating to capitalised exploration and evaluation expenditure generally, as well as disclosures relating to the change of accounting policy.

Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2020, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

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

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included within the directors' report for the year ended 30 June 2020.

In our opinion, the Remuneration Report of Todd River Resources Limited for the year ended 30 June 2020 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.



HLB Mann Judd
Chartered Accountants



L D Giallonardo
Partner

Perth, Western Australia
31 August 2020

Todd River Resources Limited

Corporate Governance Statement

The Board of Directors of Todd River Resources Limited. ("Company") is responsible for the corporate governance of the Company. The Board guides and monitors the business and affairs of the Company on behalf of the shareholders by whom they are elected and to whom they are accountable.

This statement sets out the main corporate governance practices in place throughout the financial year in accordance with 3rd edition of the ASX Principles of Good Corporate Governance and Best Practice Recommendations.

This Statement was approved by the Board of Directors and is current as at 17 September 2020.

PRINCIPLE 1: LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

ASX Recommendation 1.1: A listed entity should establish the functions reserved to the Board and those delegated to senior executives and disclose those functions.

The Board has adopted a formal charter that details the respective Board and management functions and responsibilities. A copy of this Board charter is available in the corporate governance section of the Company's website at www.trrltd.com.au.

ASX Recommendation 1.2: A listed entity should undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election as a Director and provide security holders with all material information relevant to a decision on whether or not to elect or re-elect a Director.

The Company did not appoint any new Directors during the financial year. Post year end the Company appointed Mr Ian Murray as a Director and Mr Darren Holden as an alternate to Mr Murray. Appropriate checks were carried out before the appointments.

Information in relation to Directors seeking reappointment is set out in the Directors' report and is included in the Notice of Annual General Meeting.

ASX Recommendation 1.3: A listed entity should have a written agreement with each Director and Senior Executive setting out the terms of their appointment.

The Company has in place written agreements with each Director and Senior Executive.

ASX Recommendation 1.4: The Company Secretary of a listed company should be accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board.

The Board Charter provides for the Company Secretary to be accountable directly to the Board through the Chair.

ASX Recommendation 1.5: A listed entity should:

Have a diversity policy which includes the requirement for the Board to set measurable objectives for:

- Achieving gender diversity and assess annually the objectives and the entity's progress to achieving them;
- Disclose the policy or a summary of it;
- Disclose the measurable objectives and progress towards achieving them; and
- Disclose the respective proportions of men and women on the Board and at each level of management and the company as a whole.

The Company has adopted a Diversity Policy which is available in the corporate governance section of the Company's website at www.trrltd.com.au.

The Board considers that, due to the size, nature and stage of development of the Company, setting measurable objectives for the Diversity Policy at this time is not practical. The Board will consider setting measurable objectives as the Company increases in size and complexity.

As at 30 June 2020, the Company does not have any female Board members and has one female senior manager (2019:1). Of the balance of the Company's employees 50% are female (2019: 100%). 33% (2019: 33%) of the Company's employees in total, including Directors, are female.

ASX Recommendation 1.6: A listed entity should disclose the process for evaluating the performance of the Board, its committees and individual Directors.

The Board has adopted a self-evaluation process to measure its own performance and the performance during each financial year. The Chairperson is also responsible for conducting an annual review of overall board performance during a regular meeting of the board. A performance review was undertaken during the reporting period.

ASX Recommendation 1.7: A listed entity should have and disclose a process for periodically evaluating the performance of its senior executives and disclose in relation to each reporting period where a performance evaluation was undertaken in accordance with a process.

The Managing Director's performance is considered as part of the Board review process.

The performance of other executives was reviewed and monitored by the Managing Director on an ongoing basis throughout the year.

The Board reviews the Company's financial position and operating milestones at each formal board meeting. A performance review was undertaken during the reporting period.

Todd River Resources Limited

Corporate Governance Statement

PRINCIPLE 2: STRUCTURE THE BOARD TO ADD VALUE

ASX Recommendation 2.1: The Board of a listed entity should establish a Nomination Committee:

- With at least three members the majority of which are independent Directors;
- Chaired by an independent director; and
- Disclose the charter of the committee, the members of the committee and the number of times the committee met throughout the period and member attendance at those meetings.

Due to the size and nature of the existing Board and the magnitude of the Company's operations, the Company does not currently have a Nomination Committee. The full Board considers Board composition and identifies and assesses candidates to fill any casual vacancy which may arise from time to time. The Board considers that at this stage no efficiencies or other benefits would be gained by establishing a separate Nomination Committee.

ASX Recommendation 2.2: A listed entity should have and disclose a Board skills matrix setting out the mix of skills and diversity that the Board currently has or is looking to achieve in its membership.

On a collective basis the Board's skills matrix indicates the mix of skills, experience and expertise that are considered necessary at Board level for optimal performance of the Board. The matrix reflects the Board's objective to have an appropriate mix of specific industry and professional experience including skills such as geology, leadership, governance, strategy, finance, risk management, Government and Native Title engagement and international business operations.

ASX Recommendation 2.3: A listed entity should disclose the names of the Directors considered by the Board to be independent Directors and provide details in relation to the length of service of each Director.

Non-Executive Chairman, Mr Edward Fry and Non-Executive Director Mr Geoffrey Crow are considered independent Directors.

As Managing Director Mr Will Dix is not considered to be an independent director.

Dr Mark Bennett is a nominee of S2 Resources Limited, a substantial shareholder of the Company, and as such is not considered to be an independent Director.

Mr Ian Murray is a nominee of Marlee Minerals Pty Ltd, a substantial shareholder of the Company, and as such is not considered to be an Independent Director.

Mr Darren Holden is an alternate Director for Mr Murray and is also a shareholder of Marlee Minerals Pty Ltd. As he such not considered an Independent Director.

The respective appointment date of each Director is:

Edward Fry	4 April 2017
Will Dix	30 November 2018
Mark Bennett	30 November 2018
Geoffrey Crow	24 June 2014
Ian Murray	2 September 2020
Darren Holden (alternate Director)	2 September 2020

ASX Recommendation 2.4: The majority of the Board of a listed entity should be independent Directors.

The majority of the Board are not independent Directors. Whilst the Company does not have a majority of independent directors, the Board considers the current balance of skills and expertise is appropriate for the Company given its size and operations.

The Company will consider appointing additional independent directors once the Board is of a sufficient size and structure, and the Company's operations are of a sufficient magnitude to justify such appointments.

Directors having a conflict of interest in relation to a particular item of business must absent themselves from the Board meeting before commencement of discussion on the topic unless other Directors agree to their attendance. Directors having a conflict must absent themselves from the meeting while any decisions are being made on the business.

ASX Recommendation 2.5: The Chair of a listed entity should be an independent Director and, in particular, should not be the same person as the CEO of the entity.

The Chairman, Eddie Fry is an independent Non-Executive Director.

Mr Will Dix is Managing Director of the Company.

PRINCIPLE 3: ACT ETHICALLY AND RESPONSIBLY

ASX Recommendation 3.1: A listed entity should establish a code of conduct and disclose the code or a summary of the code.

The Company has established a code of conduct that sets out standards which the Board, management and employees of the Company are to comply with when dealing with each other, shareholders, customers and the broader community.

A copy of the Company's code of conduct is available in the corporate governance section of the Company's website at www.trrltd.com.au.

Todd River Resources Limited

Corporate Governance Statement

PRINCIPLE 4: SAFEGUARD INTEGRITY IN FINANCIAL REPORTING

ASX Recommendation 4.1: The Board of a listed entity should establish an audit committee:

- With at least three members, all of whom are non-executive Directors and a majority of which are independent Directors;
- chaired by an independent Director; and
- disclose the charter of the committee, the members of the committee and the number of times the committee met throughout the period and member attendance at those meetings.

Due to the size and nature of the existing Board and the magnitude of the Company's operations the Company does not currently have an Audit Committee. The full Board carries out the duties that would ordinarily be assigned to the Audit Committee.

All members of the Board are involved in the Company's audit function to ensure the proper maintenance of the entity and the integrity of all financial reporting.

ASX Recommendation 4.2: The Board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO (or equivalent) a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

The Board has received the assurance required by ASX Recommendation 4.2 in respect of the financial statements for the half year ended 31 December 2019 and the full year ended 30 June 2020. Given the size and nature of the Company's operations the Board has not received the assurance in respect of the quarterly cash flow statements believing that the provision of the assurance for the half and full year financial statements is sufficient.

ASX Recommendation 4.3: A listed entity should ensure that the external auditor attends its Annual General Meeting and is available to answer questions from security holders relevant to the audit.

The external auditor attends the Annual General Meeting and is available to answer questions from shareholders relevant to the audit and financial statements. The external auditor will also be allowed a reasonable opportunity to answer written questions submitted by shareholders to the auditor as permitted under the Corporations Act.

PRINCIPLE 5: MAKE TIMELY AND BALANCED DISCLOSURE

ASX Recommendation 5.1: A listed entity should establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior executive level for that compliance and disclose those policies or a summary of those policies.

The Company has established a continuous disclosure policy which forms part of its overall corporate governance policy which is designed to guide compliance with ASX Listing Rule disclosure requirements and to ensure that all Directors, senior executives and employees of the Company understand their responsibilities under the policy. The Board has designated the managing Director as the person responsible for ensuring that all required price sensitive information is disclosed to the ASX as required. The managing Director may delegate aspects of administering the continuous disclosure policy to other Directors or Company employees which may be a general delegation or specific to a particular matter.

In accordance with the Company's continuous disclosure policy, all information provided to ASX for release to the market is posted to its website at www.trrltd.com.au after ASX confirms an announcement has been made.

Information in relation to the Company's continuous disclosure requirements is set out in the Company's corporate governance policy available at www.trrltd.com.au.

PRINCIPLE 6: RESPECT THE RIGHTS OF SHAREHOLDERS

ASX Recommendation 6.1: A listed entity should provide information about itself and its governance to investors via its website.

The Company's website at www.trrltd.com.au contains information about the Company's projects, Directors and management and the Company's corporate governance practices, policies and charters. All ASX announcements made to the market, including annual, half year and quarterly reports are posted on the website as soon as they have been released by the ASX. The full text of all notices of meetings and explanatory material, the Company's Annual Report and copies of all investor presentations are posted on the Company's website.

ASX Recommendation 6.2: A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.

The Company's Managing Director is currently the Company's contact for investors and potential investors and makes himself available to discuss the Company's activities when requested. Where appropriate Directors provide assistance to the Managing

Todd River Resources Limited

Corporate Governance Statement

Director in dealing with investor relations.

In addition to announcements made in accordance with its continuous disclosure obligations the Company, from time to time, prepares and releases general investor updates about the Company.

The Company has engaged the services of an Investor Relations company to assist the Company with its investor relations activities.

Contact with the Company can be made via an email address provided on the website and investors can subscribe to the Company's electronic mailing list.

ASX Recommendation 6.3: A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.

The Company encourages participation of shareholders at any general meetings and its Annual General Meeting each year. Shareholders are encouraged to lodge direct votes or proxies subject to the adoption of satisfactory authentication procedures if they are unable to attend the meeting.

The full text of all notices of meetings and explanatory material are posted on the Company's website at www.trrltd.com.au.

ASX Recommendation 6.4: A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security register electronically.

Contact with the Company can be made via an email address provided on the website and investors can subscribe to the Company's electronic mailing list.

The Company's share register provides a facility whereby investors can provide email addresses to receive correspondence from the Company electronically and investors can contact the share register via telephone, facsimile or email.

PRINCIPLE 7: RECOGNISE AND MANAGE RISK

ASX Recommendation 7.1: The Board of a listed entity should have a committee to oversee risk:

- With at least three members, all of whom are non-executive Directors and a majority of which are independent Directors;
- Chaired by an independent director; and
- Disclose the charter of the committee, the members of the committee and the number of times the committee met throughout the period and member attendance at those meetings.

Due to the size and nature of the existing Board and the magnitude of the Company's operations the Company does not currently have a Risk Committee. The full Board carries out the duties that would ordinarily be assigned to the Risk Committee.

Responsibility for control and risk management is delegated to the appropriate level of management within the Company with the Managing Director and Chief Financial Officer (or equivalent) having ultimate responsibility to the Board for the risk management and control framework (in the meantime, to be the responsibility of the full Board). Arrangements put in place by the Board to monitor risk management include regular reporting to the Board in respect of operations and financial position of the Company.

ASX Recommendation 7.2: The Board or a committee of the Board, of a listed entity should review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and disclose in relation to each reporting period whether such a review was undertaken.

The Board conducted such a review during the reporting period.

ASX Recommendation 7.3: A listed entity should disclose if it has an internal audit function and if it does not have an internal audit function that fact and the processes it employs for evaluating and continually improving the effectiveness of risk management and internal control processes.

Given the Company's current size and level of operations it does not have an internal audit function. The Board oversees the Company's risk management systems, practices and procedures to ensure effective risk identification and management and compliance with internal guidelines and external requirements and monitors the quality of the accounting function.

In addition the Board monitors the integrity of the financial statements of the Company, the appropriateness of accounting policies adopted by the Company and review significant financial reporting judgements.

ASX Recommendation 7.4: A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and if it does how it manages or intends to manage those risks.

The Company has exposure to economic risks, including general economy wide economic risks and risks associated with the economic cycle which impact on the price and demand for minerals which affects the sentiment for investment in exploration and development companies.

There will be a requirement in the future for the Company to raise additional funding to pursue its business objectives. The Company's ability to raise capital may be affected by these economic risks.

Todd River Resources Limited

Corporate Governance Statement

The Company has in place risk management procedures and processes to identify, manage and minimise its exposure to these economic risks where appropriate.

The operations and proposed activities of the Company are subject to State and Federal laws and regulations concerning the environment. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment. It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.

The Board currently considers that the Company does not have any material exposure to social sustainability risk. The Company's Corporate Code of Conduct outlines the Company's commitment to integrity and fair dealing in its business affairs and to a duty of care to all employees, clients and stakeholders. The code sets out the principles covering appropriate conduct in a variety of contexts and outlines the minimum standard of behavior expected from employees when dealing with stakeholders.

PRINCIPLE 8: REMUNERATE FAIRLY AND RESPONSIBLY

ASX Recommendation 8.1: The Board of a listed entity should establish a remuneration committee:

- **With at least three members the majority of which are independent Directors;**
- **Chaired by an independent Director; and**
- **Disclose the charter of the committee, the members of the committee and the number of times the committee met throughout the period and member attendance at those meetings.**

Due to the size and nature of the existing Board and the magnitude of the Company's operations the Company does not currently have a Remuneration Committee. The full Board carries out the duties that would ordinarily be assigned to the Remuneration Committee.

The Board considers that is at this stage no efficiencies or other benefits would be gained by establishing a separate Remuneration Committee.

ASX Recommendation 8.2: A listed entity should separately disclose its policies and practices regarding the remuneration of Non-Executive Directors and the remuneration of Executive Directors and other senior executives.

Non-Executive Directors are paid a fixed annual fee for their service to the Company. Non-Executive Directors may, subject to shareholder approval, be granted equity securities as remuneration. Non-executive Directors may also be paid a fee on a per day rate for services in addition to the normal duties of a Non-Executive Director.

Executives of the Company typically receive remuneration comprising a base salary component and other fixed benefits based on the terms of their employment agreements with the Company and potentially the ability to participate in bonus arrangements and may, subject to shareholder approval if appropriate, be granted equity securities as remuneration.

Further information in relation to the Company's remuneration policies and practices are set out in the Remuneration Report which forms part of the Directors' Report in the annual financial statements.

ASX Recommendation 8.3: A listed entity which has an equity based remuneration scheme should have a policy on whether participants are permitted to enter into transactions which limit the economic risk of participating in the scheme and disclose the policy or a summary of that policy.

Participants in any Company equity based remuneration scheme are not permitted to enter into transactions which limit the economic risk of participating in the scheme.

Additional information required by the Australian Securities Exchange Limited Listing Rules and not disclosed elsewhere in this report is set out below.

Todd River Resources Limited

ASX Additional Information

Twenty largest shareholders as at 11 September 2020

		Units	% of Units
1	MARLEE MINERALS PTY LTD	66,666,667	16.37
2	SOUTHERN STAR EXPLORATION PTY LTD	40,366,000	9.91
3	SOUTHERN STAR EXPLORATION PTY LTD	34,887,867	8.57
4	AVENGER PROJECTS LIMITED	33,333,334	8.19
5	ZERO NOMINEES PTY LTD	11,306,453	2.78
6	DEUTSCHE BALATON AKTIENGESELLSCHAFT	10,391,473	2.55
7	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	8,378,949	2.06
8	TNG LIMITED	7,000,000	1.72
9	DELPHI UNTERNEHMENSBERATUNG AKTIENGESELLSCHAFT	6,070,000	1.49
10	MS CHUNYAN NIU	4,950,000	1.22
11	MRS BELINDA POZNIK	4,718,538	1.16
12	PALISADES GOLDCORP LTD	4,000,000	0.98
13	JETOSEA PTY LIMITED	3,500,000	0.86
14	YARRAANDOO PTY LTD <YARRAANDOO SUPER FUND A/C>	3,387,352	0.83
15	LEIGH MARTIN MARINE PTY LTD	3,194,165	0.78
16	DEVELOPMENT AND FINANCE PTY LTD	2,821,436	0.69
17	MR WARREN WILLIAM BROWN + MRS MARILYN HELENA BROWN <WWB INVESTMENTS P/L S/F A/C>	2,784,312	0.68
18	RANKINE INFRASTRUCTURE PTY LTD	2,455,247	0.60
19	MR BRENDAN CLUFF	2,280,000	0.56
20	MR ADAM FURST	2,250,000	0.55
Totals: Top 20 holders		254,741,793	62.56

Distribution of shareholders as at 11 September 2020

Rang	Total no. holders	Units
1 – 1,000	297	100,703
1,001 – 5,000	409	1,268,804
5,001 – 10,000	300	2,190,035
10,001 – 100,000	662	24,818,989
100,001 and over	334	378,842,597
	2,002	407,221,128

The number of shareholders holding less than a marketable parcel is 979.

Substantial shareholders as at 11 September 2020

Substantial holders in the Company are set out below:

Shareholder	Number
S2 Resources Ltd and its related bodies corporate	75,253,867
Marlee Minerals Pty Ltd	66,666,667
Avenger Projects Limited	33,333,334

Class of shares and voting rights

At meetings of members or classes of members each member entitled to vote may vote in person or by proxy or attorney; and on a show of hands every person present who is a member has one vote, and on a poll every person present in person or by proxy or attorney has one vote for each ordinary share held.

On-market buy-back

There is no current on-market buy-back.

Todd River Resources Limited

ASX Additional Information

Unlisted Options as at 11 September 2020

Unlisted options issued under the Incentive Option Plan

	exercisable at \$0.175 expiring 1 May 2021	exercisable at \$0.131 expiring 4 November 2021	exercisable at \$0.134 expiring 7 November 2021	exercisable at \$0.061 expiring 3 September 2023
Total on issue	1,000,000	10,000,000	1,000,000	21,000,000
Number of holders (>100,000)	1	5	1	12

Other unlisted options on issue

	exercisable at \$0.112 expiring 15 November 2022
Total on issue	2,870,000
Number of holders (>100,000)	1

Options held by Zenix Nominees Pty Ltd.

Restricted securities as at 11 September 2020

The following shares are subject to voluntary escrow until 2 March 2021:

Marlee Minerals Pty Ltd	40,000,000
Avenger Projects Limited	20,000,000

Todd River Resources Limited

ASX Additional Information

The Group holds an interest in the following tenements at 11 September 2020

Project	Tenements	Equity
Berkshire Valley	E70/5385, E70/5204	100%
Nanutarra	E08/2942	Option
Mount Hardy	EL27892, EL28694, EL29219	100%
McArthur	EL27711, EL30085, EL31703, EL30704, ELA28509	100%
Manbarrum	EL24395, MA24518, MA26581, MLA27357	100%
Stokes Yard	EL30131	100%
Petermanns	ELA25562, ELA25564, ELA26382, ELA26383, ELA26384, ELA31924, ELA31925	100%
Sandover	ELA29252, ELA29253	100%
Croker Island	ELA29164	100%
Goddards	ELA24260	100%
Nerramyne	E70/5289(a)	100%
Mt Vinden	E09/2363(a)	100%
Pingandy	E08/3161(a)	100%

EL: Exploration Licence (N.T)
 ELA: Exploration Licence Application
 MLC: Mineral Lease Central (N.T)
 MLA: Mineral Lease Application (N.T)
 E: Exploration Licence (W.A)
 E(a): Exploration Licence Application (W.A)

Mineral Reserves and Resources

Hendrix Mineral Resource

Cut off Zn%	Tonnage	Metal Grade					Metal Tonnes			
		Zn Eq%	Zn%	Cu%	Pb%	Ag g/t	Zn(t)	Cu(t)	Pb (t)	Ag (oz)
0.5	2,700,000	10.3	6.5	0.9	1.5	34	176,000	23,200	40,000	3,000,000
1.0	2,600,000	10.4	6.6	0.9	1.5	34	175,000	22,700	40,000	2,900,000
1.5	2,600,000	10.5	6.7	0.9	1.5	35	175,000	22,500	40,000	2,900,000
2.0	2,500,000	10.7	6.8	0.9	1.6	35	173,000	22,000	40,000	2,900,000
2.5	2,500,000	10.8	7.0	0.9	1.6	35	172,000	21,500	39,000	2,800,000
3.0	2,400,000	11.0	7.1	0.9	1.6	36	170,000	21,100	38,000	2,800,000
3.5	2,300,000	11.2	7.2	0.9	1.6	36	167,000	20,600	37,000	2,700,000
4.0	2,200,000	11.5	7.5	0.9	1.6	37	162,000	19,900	35,000	2,600,000
4.5	2,000,000	12.0	7.8	1.0	1.7	39	153,000	18,800	34,000	2,400,000
5.0	1,700,000	12.7	8.2	1.0	1.8	41	142,000	17,300	32,000	2,300,000

*Note: Zinc Equivalent (ZnEq%) is based on the following formula:

$$\text{ZnEq \%} = \text{Zn\%} + (\text{Cu\%} \times (5900/2550)) + (\text{Pb\%} \times (1900/2550)) + (\text{Ag ppm} \times ((15/31.103475)/(2550/100)))$$

Where: Zn = \$2,550 USD/ tonne

Cu = \$5,900 USD / tonne

Pb = \$1,900 USD / tonne

Ag = \$15 USD / ounce

Appropriate rounding has been applied.

Todd River Resources Limited

ASX Additional Information

The Company engaged independent consultants to prepare Resource estimates, in the course of doing so the consultants have:

- Reviewed the 3D geological models that represent the interpreted geology, mineralisation and oxidation profiles, based on drilling and geological information supplied by Todd River Resources Limited.
- Completed statistical analysis and variography for economic elements.
- Estimated grades of economic elements using ordinary kriging and completed model validity checks.
- Classified the Mineral Reserve and Resource estimate in accordance with the JORC Code.
- Reported the estimates and compiled supporting documentation in accordance with JORC Code guidelines.

There has been no change in the Hendrix Mineral Resource since 10 July 2019.

Sandy Creek Mineral Resource (1.0 % zinc cut-off)

Classification	Material	Tonnes (millions)	Zn %	Pb %	Ag g/t
Indicated	Oxide	0.6	1.45	0.43	5.14
	Primary	4.5	2.00	0.88	5.91
Total Indicated		5.1	1.94	0.82	5.82
Inferred	Oxide	0.9	1.26	0.28	3.24
	Primary	16.5	1.80	0.33	4.24
Total Inferred		17.4	1.77	0.33	4.19
Grand total		22.5	1.81	0.44	4.56

There has been no change in the Sandy Creek Mineral Resource since 30 June 2018.

The Company engaged independent consultants to prepare Resource estimates, in the course of doing so the consultants have:

- Reviewed Todd River Resources' assay and QAQC data.
- Generated electronic models that represent the interpreted geology, mineralisation and oxidation profiles, based on drilling and geological information supplied by Todd River Resources Limited.
- Completed statistical analysis and variography for economic elements.
- Estimated grades of economic elements using ordinary kriging and completed model validity checks.
- Classified the Mineral Reserve and Resource estimate in accordance with the JORC Code.
- Reported the estimates and compiled supporting documentation in accordance with JORC Code guidelines.

Competent Persons Statements

This information in this annual report that relates to exploration results is extracted from ASX Announcements titled:

"Maiden Mineral Resource Estimate at Mt Hardy" lodged on 10 July 2019
 "Sampling Identifies 7 Areas of Mineralisation at Mt Hardy" lodged on 29 July 2019
 "TRT Purchases Option over Prospective Nickel Project" lodged on 4 October 2019
 "New Base Metal Discovery at Mt Hardy" lodged on 25 October 2019
 "Drilling Update as third Prospect Delivers at Mt Hardy" lodged on 3 December 2019
 "Exploration and Corporate Update" lodged on 23 March 2020
 "Todd River to Acquire Highly Prospective Ni-Cu-PGE Projects" lodged on 1 July 2020

which are 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.

The information in this annual report that relates to the estimation and reporting of the Hendrix Mineral Resource is extracted from the ASX announcement dated 10 July 2019 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 announcement and that all material assumptions and technical parameters underpinning the Mineral Resource estimate continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from announcement.

Todd River Resources Limited

ASX Additional Information

The information in this annual report that relates to the estimation and reporting of the Sandy Creek Mineral Resource is extracted from the Independent Geologists Report included in the Prospectus lodged on 31 January 2017 and the Supplementary Prospectus lodged on 10 February 2017 which are 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 Independent Geologists Report included in the Prospectus and Supplementary Prospectus and that all material assumptions and technical parameters underpinning the Mineral Resource estimate in the Independent Geologists Report included in the Prospectus and Supplementary Prospectus continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the Independent Geologists Report included in the Prospectus and Supplementary Prospectus.

