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RIVERSGOLD_{LTD}

ABN 64 617 614 598

**ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

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RIVERSGOLD^{LTD}
ABN 64 617 614 598

Corporate Directory

Directors

Simon Andrew (Non-executive Chairman)
Xavier Braud (Executive Director)
Simon Bolster (Non-executive Director)

Company Secretary

Oonagh Malone

Chief Executive Officer

Julian Ford

Principal and Registered Office

Suite 23, 513 Hay Street
Subiaco WA 6008
Telephone (08) 6143 6747
Web www.riversgold.com.au

Auditor

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

Share Registry

Automic
Level 5, 126 Phillip Street
Sydney NSW 6000

Web <https://investor.automic.com.au/>
Email hello@automicgroup.com.au
Phone (within Australia) 1300 288 664
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Securities Exchange Listing

ASX Limited
Level 40, Central Park
152-158 St George's Terrace
Perth WA 6000
ASX Code - RGL.

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Directors' Report

The Directors present their report on Riversgold Limited (the Company) and the entities it controlled (the Group) for the year ended 30 June 2021.

Directors

The names of Directors who held office during or since the end of the year and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Simon Andrew B Science (Chemistry) Hons
Non-executive Chairman – Appointed 28 August 2019

Mr Andrew has over 20 years' experience in financial markets in Asia and Australia. Previously he has held senior management positions at various global investment banks. These roles included leading the equity sales desk for BNP Paribas for the ASEAN region and heading the Refining and Petrochemicals sector research team at Deutsche Bank in Asia.

He was responsible for securing the financing for the purchase of the Tennant Creek assets for Emmerson Resources (ASX:ERM) and arranging the IPO in 2007.

Other Listed Company Directorships: Mamba Exploration Limited (from 23 September 2020)
Lotus Resources Limited (from 1 January 2019 – 26 June 2020)

Xavier Braud MSc, B Science (Hons) MAIG
Executive Director – Appointed 10 June 2020

Mr Braud is an experienced Geologist and mining analyst with over 15 years' experience in a broad range of deposits and commodities. His geological experience spans the whole spectrum of geology from greenfield exploration to resource definition and extension.

For the past three years Mr Braud has been a Resources/Mining Analyst at Patersons Securities Limited and Canaccord Genuity covering small and micro-caps ASX listed resources companies. This role involved researching companies at both technical and financial level.

Other Listed Company Directorships: nil

Simon Bolster B Science (Geography with Geology 1st Class) Hons
Non-Executive Director – Appointed 24 June 2020

Mr Simon Bolster is a former Senior Manager at Newmont in charge of regolith geochemistry and remote sensing globally. Former Head of Exploration for Gryphon Minerals. More recently, Mr Bolster designed and managed greenfields exploration across West Africa, leading to multi-million-ounce gold discoveries on the Hounde and Loumana greenstone belt in Burkina Faso by Gryphon/Teranga Gold Corp. He is highly experienced in designing and managing geochemical programs in tropical and deeply weathered terrains.

Mr Bolster is regarded as one of the pre-eminent experts in applied regolith exploration geochemistry and has extensive experience exploring for gold in the Eastern Goldfields of WA working for Placer Dome and Normandy Exploration in the 1990-2000s. He was responsible for managing the geotechnical team in support of the drill out and feasibility studies at the 1Moz Mount Monger gold discovery (now a mine operated by Silverlake) adjacent to Riversgold's tenements.

Other Listed Company Directorships: African Gold Limited (from 23 February 2021)

Directors' Report

Oonagh Malone

Company Secretary – Appointed 4 January 2021

Ms Malone is a principal of a corporate advisory firm which provides company secretarial and administrative services. She has over 10 years' experience in administrative and company secretarial roles for listed companies and is a member of the Governance Institute of Australia. She currently acts as company secretary for ASX-listed African Gold Ltd, Aston Minerals Limited, Benz Mining Corp, Caprice Resources Limited, Carbine Resources Limited, Hawkstone Mining Limited and RareX Limited. She is a non-executive director of Peak Minerals Limited.

Former Director and Company Secretary Information

Justin Boylson

Executive Director – Appointed 28 August 2019, Resigned 28 August 2020

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

Other Listed Company Directorships: Mamba Exploration Limited (from 23 September 2020)
Manuka Resources Ltd (from 31 January 2019 to 17 March 2020)

Amanda Burgess – B.Econs CPA

Company Secretary – Appointed 20 December 2019, Resigned 4 January 2021

Ms Burgess is a finance professional with over 25 years' experience in accounting and company administration. Ms Burgess holds a Bachelor of Economics from the University of Western Australia and is a CPA with the Australian Society of Certified Practising Accountants. Ms Burgess currently holds CFO and Company Secretary positions with other Australian companies.

Directors' Interests

As at the date of this report the Directors' interests in shares and unlisted options of the Company are as follows:

Director	Directors' Interests in Ordinary Shares	Directors' Interests in Unlisted Options	Options vested at the reporting date
S Andrew	4,333,333	7,666,665	5,666,665
X Braud	2,272,000	7,135,999	7,135,999
S Bolster	3,350,000	6,000,000	6,000,000

Directors' Report

Directors' Meetings

The number of meetings of the Company's Directors held during the year ended 30 June 2021, and the number of meetings attended by each Director are as follows:

Director	Board of Directors' Meetings	
	Eligible to Attend	Attended
S Andrew	7	7
X Braud	7	7
S Bolster	7	6
J Boylson	1	1

Principal Activities

The principal activity of the Group during the financial year consisted of mineral exploration in respect of its gold projects in Australia.

Results of Operations

The consolidated loss after income tax for the financial year was \$1,634,151 (2020: \$1,661,033).

Review of Operations

During the year, the Company continued its exploration programs on the Kurnalpi Project located in Western Australia including conducting soil sampling, a seismic survey and drill programs. The Company continued the divestment process for its Alaskan asset.

Financial Position

At the end of the financial year the Group had \$294,434 (2020: \$1,278,101) in cash and at call deposits. Capitalised mineral exploration and evaluation expenditure at 30 June 2021 was \$4,678,755 (30 June 2020: \$4,853,257).

Significant Changes in the State of Affairs

Other than referred to in this report, there were no other significant changes in the state of affairs of the Company during the year.

Options over Unissued Capital

Unlisted Options

During the financial year, the Company had the following share option issues:

- 69,659,090 free attaching share options with an exercise price of \$0.03 and expiry date of 12 August 2023 were issued on 12 August 2020 for no further consideration to participants in the capital raising. 12,720,298 of these options were exercised during the year, as shown in Note 17c), leaving 56,938,792 of these options on issue at 30 June 2021.
- 10,000,000 share options, with an exercise price of \$0.03 and expiring 12 August 2023 were issued to Hartleys for advisory services on 12 August 2021 following shareholder approval on 6 August 2020.
- A total of 12,000,000 Director options were issued to Mr Braud and Mr Bolster on 12 August 2020 following shareholder approval on 6 August 2020. These options were initially recognised at 30 June 2020 for financial accounting purposes, but revalued for financial accounting purposes on 6 August 2020.
- 3,000,000 share options were issued and granted to a consultant on 8 March 2021 with an exercise price of \$0.081 and expiry date of 12 August 2023. These options vested immediately.

Directors' Report

Options over Unissued Capital (continued)

- 1,000,000 share options were issued and granted to an employee on 5 February 2021 with an exercise price of \$0.08 and expiry date of 5 February 2024. These options vested immediately.

As at the balance date, 100,058,792 unissued ordinary shares are under option as follows:

Date Granted or issued	Number	Exercise price	Expiry date
15 May 2017	3,000,000 ¹	20 cents	15 May 2022
1 March 2019	120,000 ¹	9 cents	28 February 2023
28 November 2019	14,000,000 ²	0.1 cents	4 December 2022
12 August 2020	56,938,792 ¹	3 cents	12 August 2023
12 August 2020	10,000,000 ¹	3 cents	12 August 2023
12 August 2020	2,000,000 ¹	4.9 cents	12 August 2023
12 August 2020	2,000,000 ¹	5.7 cents	12 August 2023
12 August 2020	2,000,000 ¹	7.6 cents	12 August 2023
12 August 2020	2,000,000 ¹	7 cents	12 August 2023
12 August 2020	2,000,000 ¹	8.1 cents	12 August 2023
12 August 2020	2,000,000 ¹	10.8 cents	12 August 2023
5 February 2021	1,000,000 ¹	8 cents	5 February 2024
8 March 2021	3,000,000 ¹	8.1 cents	12 August 2023
Total	100,058,792		

¹ Options have vested at the date of this report.

² 12,000,000 options of the 14,000,000 have vested at the date of this report and 2,000,000 have not vested.

A total of 16,720,298 share options were exercised during the year:

- 12,720,298 share options with an exercise price of \$0.03, that were issued to investors in 2021, for a total amount received of \$381,609, and
- 4,000,000 share options with an exercise price of \$0.001 that were issued to now former directors in 2020, for a total amount received of \$4,000.

Options do not entitle the holder to participate in any share issue of the Company or any other body corporate. The holders of unlisted options are not entitled to any voting rights until the options are exercised into ordinary shares.

Subsequent to the balance date, the following share options were issued and granted on 7 July 2021 to the Group's new CEO, Julian Ford:

- 2,000,000 options with an exercise price of \$0.048 and expiry date of 7 July 2024.
- 2,000,000 options with an exercise price of \$0.055 and expiry date of 7 July 2024.
- 2,000,000 options with an exercise price of \$0.074 and expiry date of 7 July 2024.

Issued Capital

	Number of Shares on Issue	
	2021	2020
Ordinary fully paid shares	404,042,196	312,775,951

Directors' Report

Issued Capital (continued)

During the financial year the Company issued 91,266,245 shares as per below:

Type	Cents per Share	No of Shares
Shares issued under a Share Placement on 12 August 2020. the Company completed Tranche 2 of the placement announced on 19 May 2020 and issued 73,795,057 shares with one free attaching option for every two shares issued, being 69,659,091 options with an exercise price of \$0.03 expiry 12/8/2023	0.011	73,795,947
Issue of shares on exercise of options	0.03	12,720,298
Issue of shares on exercise of options by a former director	0.001	4,000,000
Issue of shares in consideration for option to acquire tenements	0.06	750,000

There are no unpaid amounts on the shares issued.

Issue of Performance Rights

Quarterback Performance Rights

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

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

Employee Performance Rights

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

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

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Directors' Report

Dividends

No dividend has been paid since the end of the previous financial year and no dividend is recommended for the current year.

Matters Subsequent to the End of the Financial Year

On 7 July 2021 the Company announced the appointment of Chief Executive Officer Julian Ford with a base salary of \$150,000 plus statutory superannuation with a 3 month minimum termination period. The Company granted and issued 6,000,000 options to Mr Ford with the following terms:

- 2,000,000 options with an exercise price of \$0.048 and expiry date of 7 July 2024.
- 2,000,000 options with an exercise price of \$0.055 and expiry date of 7 July 2024.
- 2,000,000 options with an exercise price of \$0.074 and expiry date of 7 July 2024.

On 20 July 2021 the Company announced amendment to the Alaskan asset sale agreement for the following remaining payment terms:

- \$USD250,000 receivable by 26 July 2021 (received and cleared on 20 July 2021);
- \$USD300,000 on 31 August 2021 (\$USD150,000 of this received as at date of this report);
- \$USD450,000 receivable on 30 September 2021;
- An uncapped gross revenue royalty of 1.5% on all minerals produced from the Alaskan tenements;
- \$USD1,000,000 payable on the definition of an inferred mineral resource of 500,000 oz Au; and
- \$USD1,000,000 payable on the definition of an inferred mineral resource of 1,000,000 oz Au.

Other than started above there has not arisen between the end of the financial year and the date of this report any item of a material and unusual nature likely, in the opinion of the Directors of the Company to affect substantially the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial years.

Likely Developments and Expected Results of Operations

The Company expects to continue its exploration programs at the Kurnalpi gold project in Western Australia.

Disclosure of any further information has not been included in this report because, in the reasonable opinion of the Directors to do so would be likely to prejudice the business activities of the Group and is dependent upon the results of the future exploration and evaluation.

Environmental Regulation and Performance

The Group holds various exploration licences and permits to regulate its exploration activities. These licences include conditions and regulations with respect to the rehabilitation of areas disturbed during the course of its exploration activities.

As far as the Directors are aware, all exploration activities have been undertaken in compliance with all relevant environmental regulations.

Directors' Report

Remuneration Report (Audited)

Remuneration paid to Directors and Officers of the Company is set by reference to such payments made by other ASX listed companies of a similar size and operating in the mineral exploration industry. In addition, reference is made to the specific skills and experience of the Directors and Officers.

Details of the nature and amount of remuneration of each Director, and other Key Management Personnel if applicable, are disclosed annually in the Company's Annual Report.

Remuneration Committee

The Board has adopted a formal Remuneration Committee Charter which provides a framework for the consideration of remuneration matters.

The Company does not have a separate remuneration committee and as such all remuneration matters are considered by the Board as a whole, with no member deliberating or considering such matter in respect of their own remuneration.

In the absence of a separate Remuneration Committee, the Board is responsible for:

1. Setting remuneration packages for Executive Directors, Non-executive Directors and other Key Management Personnel; and
2. Implementing employee incentive and equity based plans and making awards pursuant to those plans.

Non-executive Remuneration

The Company's policy is to remunerate Non-executive Directors, at rates comparable to other ASX listed companies in the same industry, for their time, commitment and responsibilities.

Non-executive Remuneration is not linked to the performance of the Company, however to align Directors' interests with shareholders' interests, remuneration may be provided to Non-executive Directors in the form of equity based long term incentives.

1. Fees payable to Non-executive Directors are set within the aggregate amount approved by shareholders at the Company's Annual General Meeting;
2. Non-executive Directors' fees are payable in the form of cash and superannuation benefits;
3. Non-executive superannuation benefits are limited to statutory superannuation entitlements; and
4. Participation in equity based remuneration schemes by Non-executive Directors is subject to consideration and approval by the Company's shareholders.

The maximum Non-executive Directors fees, payable in aggregate are currently set at \$200,000 per annum.

Executive Director and Other Key Management Personnel Remuneration

Executive remuneration consists of base salary, plus other performance incentives to ensure that:

1. Remuneration packages incorporate a balance between fixed and incentive pay, reflecting short and long term performance objectives appropriate to the Company's circumstances and objectives; and
2. A proportion of remuneration is structured in a manner to link reward to corporate and individual performances.

Executives are offered a competitive level of base salary at market rates (based on comparable ASX listed companies) and are reviewed regularly to ensure market competitiveness. To date the Company has not engaged external remuneration consultants to advise the Board on remuneration matters.

Incentive Plans

The Company provides long term incentives to Directors and Employees pursuant to the Riversgold Incentive Option Plan, which was last approved by shareholders on 28 April 2017.

Directors' Report

Remuneration Report (continued)

The Board, acting in remuneration matters:

1. Ensures that incentive plans are designed around appropriate and realistic performance targets and provide rewards when those targets are achieved;
2. Reviews and approves existing incentive plans established for employees; and
3. Approves the administration of the incentive plans, including receiving recommendations for, and the consideration and approval of grants pursuant to such incentive plans.

Engagement of Non-executive Directors

Non-executive Directors conduct their duties under the following terms:

1. A Non-executive Director may resign from his/her position and thus terminate their contract on written notice to the Company; and
2. A Non-executive Director may, following resolution of the Company's shareholders, be removed before the expiration of their period of office (if applicable). Payment is made in lieu of any notice period if termination is initiated by the Company, except where termination is initiated for serious misconduct.

In consideration of the services provided by Mr Simon Andrew as Non- Executive Chairman, Mr Andrew is paid a fee of \$70,000 per annum.

In consideration of the services provided by Mr Simon Bolster as Non-executive Director, Mr Bolster is paid a fee of \$30,000 per annum.

Shareholder approval was received on 6 August 2020 for Mr Bolster to receive 6,000,000 options in the Company's incentive scheme with the following conditions. These options were initially valued at \$402,883 for accounting purposes on 30 June 2020 as Mr Bolster had already commenced providing services with respect to these options. This amount was recognised in the 2020 financial report. These options were valued at a total of \$306,160 when they were granted with shareholder approval. The decline in value of (\$96,723) is consequently the amount recognised for accounting purposes in 2021 for Mr Bolster's options.

	Number and recipient	Exercise Price
Tranche 1	2,000,000 to Mr Bolster (or his nominee)	\$0.070 each
Tranche 2	2,000,000 to Mr Bolster (or his nominee)	\$0.081 each
Tranche 3	2,000,000 to Mr Bolster (or his nominee)	\$0.108 each

Non-executive Directors are also entitled to fees for other amounts as the Board determines where they perform special duties or otherwise perform extra services or make special exertions on behalf of the Company.

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Directors' Report

Remuneration Report (continued)

Engagement of Executive Directors

On 28 August 2019, the Company entered into an executive service agreement with Mr Justin Boylson on the following material terms and conditions:

Mr Boylson received a base salary of \$150,000 per annum plus statutory superannuation for 60% of his time. Shareholder approval was received on 28 November 2019 for granting 6,000,000 options in the Company's incentive scheme based on the achievement of specified objectives and milestones which were set as

	Vesting Conditions
Tranche 1	Subject to 24 months of continuous service as a Director after following grant of the Options.
Tranche 2	Subject to the Company announcing that it has entered into a farm-in agreement with a minimum investment of \$3,000,000 in relation to the Company's non-WA assets.
Tranche 3	Subject to the Company achieving a volume weighted average share price of at least \$0.04 calculated over any 20 day trading period after the issue of the Options.

Either party was permitted to terminate the agreement by providing 3 months' notice in writing. Mr Boylson resigned effective 28 August 2020. Tranche 1 of Mr Boylson's options became incapable of vesting following his resignation, but Tranches 2 and 3 vested during 2021.

The Company entered into an executive service agreement with Mr Xavier Braud on 10 June 2020 on the following material terms and conditions:

Mr Braud receives a base salary of \$30,000 per annum as a director. The Company also implemented a consulting agreement for additional fees to perform special duties outside the scope of the ordinary duties of a director, this consulting agreement is for a further \$30,000 per annum.

Shareholder approval was received on 6 August 2020 for Mr Braud to receive 6,000,000 options in the Company's incentive scheme with the following conditions. These options were initially valued at \$413,535 for accounting purposes on 30 June 2020 as the grantee had already commenced providing services with respect to these options. This amount was recognised in the 2020 financial report. These options were valued at a total of \$314,660 when they were granted with shareholder approval. The decline in value of (\$98,875) is consequently the amount recognised for accounting purposes in 2021 for Mr Braud's options.

	Number and recipient	Exercise Price
Tranche 1	2,000,000 to Mr Braud (or his nominee)	\$0.049 each
Tranche 2	2,000,000 to Mr Braud (or his nominee)	\$0.057 each
Tranche 3	2,000,000 to Mr Braud (or his nominee)	\$0.076 each

Directors' Report

Remuneration Report (Continued)

Appointment of Chief Executive Officer

On 7 July 2021 the Company appointed Chief Executive Officer, Julian Ford, with a base salary of \$150,000 per annum plus statutory superannuation with a 3 month minimum termination period or payment in lieu of notice.

On 7 July 2021, the Company granted and issued 6,000,000 options to Mr Ford with the following terms:

- 2,000,000 options with an exercise price of \$0.048 and expiry date of 7 July 2024.
- 2,000,000 options with an exercise price of \$0.055 and expiry date of 7 July 2024.
- 2,000,000 options with an exercise price of \$0.074 and expiry date of 7 July 2024.

Short Term Incentive Payments

Each year, the Non-executive Directors set the Key Performance Indicators (KPIs) for Executive Directors. The KPIs are chosen to align the reward of the individual Executives to the strategy and performance of the Company.

Performance objectives, which may be financial or non-financial, or a combination of both, are weighted when calculating the maximum short term incentives payable to Executives. At the end of the year, the Non-executive Directors will assess the actual performance of the Executives against the set Performance Objectives. The maximum amount of the Short Term Incentive, or a lesser amount depending on actual performance achieved is paid to the Executives as a cash payment.

No Short-Term incentives are payable to Executives where it is considered that the actual performance has fallen below the minimum requirement.

Shareholding Qualifications

The Directors are not required to hold any shares in Riversgold under the terms of the Company's constitution.

Group Performance

In considering the Company's performance, the Board will provide the following indices in respect of the current financial year and the previous financial period:

	2021	2020	2019	2018
Loss for the period attributable to shareholders	\$1,634,151	\$1,661,033	\$3,856,352	\$7,387,689
Closing share price at 30 June	3.5 cents	7.8 cents	2 cents	11 cents

As an exploration entity the Board does not consider the profit/(loss) attributable to shareholders as one of the performance indicators when implementing Short Term Incentive Payments.

In addition to technical exploration success, the Board considers the effective management of safety, environmental and operational matters and successful management and acquisition and consolidation of high quality landholdings, as more appropriate indicators of management performance for respective financial years.

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Directors' Report

Remuneration Report (Continued)

Remuneration Disclosures

During the financial year, the Key Management Personnel of the Company have been identified as:

Mr Simon Andrew	Non-executive Chairman (full year)
Mr Xavier Braud	Executive Director (full year)
Mr Simon Bolster	Non-executive Director (full year)
Mr Justin Boylson	Executive Director (1 July 2020 – 28 August 2020)

The details of the remuneration of each Director and member of Key Management Personnel of the Company is as follows:

30 June 2021	Short Term Benefits	Post-Employment Benefits	Other Long Term Benefits	Total	Proportion Performance Related %
	Base Salary \$	Superannuation Contributions \$	Share Options ² \$		
Simon Andrew	70,000	-	40,117	110,117	36
Xavier Braud¹	60,000	-	(98,875)	(38,875)	-. ³
Simon Bolster	30,000	-	(96,723)	(66,723)	-. ³
Justin Boylson	34,583	3,286	23,234	61,103	38%
Total	194,583	3,286	(132,247)	65,622	-. ³

¹ Includes consultancy fees amounting to \$30,000.

² The fair value of Options issued as remuneration is calculated using a Black-Scholes Option Pricing model with the fair value allocated to each reporting period to vesting date.

³ No performance related proportion is given because negative amounts recognised for share based payments for the year, calculated in accordance with accounting standards, would make such proportion nonsensical.

Directors' Report

Remuneration Report (Continued)

30 June 2020	Short Term Benefits	Post-Employment Benefits	Other Long Term Benefits	Total	Proportion Performance Related %
	Base Salary \$	Superannuation Contributions \$	Share Options ³ \$		
Simon Andrew ¹	65,329	-	13,407	78,736	-
Xavier Braud ²	3,333	-	413,536	416,869	-
Simon Bolster	583	-	402,883	403,466	-
Justin Boylson	124,593	11,875	13,407	149,875	-
Michael Davy	25,185	-	13,407	38,592	-
Rod Webster	16,505	-	3,128	19,633	-
Aaron Colleran	21,130	-	-	21,130	-
Kevin Hart	14,600	-	-	14,600	-
Total	271,258	11,875	859,768	1,142,901	-

¹ Includes consultancy fees amounting to \$40,000.

² Includes consultancy fees amounting to \$1,667.

³ The fair value of Options issued as remuneration is calculated using a Black-Scholes Option Pricing model with the fair value allocated to each reporting period to vesting date.

Share and Options Granted as Remuneration

The following Options were initially recognised for Messrs Xavier Braud and Simon Bolster on 24 June 2020 upon signing as directors. These options were subject to shareholder approval on 6 August 2020 and were subsequently issued on 12 August 2020. These options were initially valued at 30 June 2020 and recognised in 2020, before being revalued when granted by shareholders on 6 August 2020.

	Number and Recipient	Exercise Price	Fair Value per Option as at 30 June 2020	Fair Value per Option as at 6 August 2020
Tranche 1	2,000,000 to Mr Braud (or his nominee)	\$0.049	\$0.0698	\$0.05318
Tranche 2	2,000,000 to Mr Braud (or his nominee)	\$0.057	\$0.0692	\$0.05264
Tranche 3	2,000,000 to Mr Braud (or his nominee)	\$0.076	\$0.0678	\$0.05151
Tranche 4	2,000,000 to Mr Bolster (or his nominee)	\$0.070	\$0.0682	\$0.05185
Tranche 5	2,000,000 to Mr Bolster (or his nominee)	\$0.081	\$0.0674	\$0.05125
Tranche 6	2,000,000 to Mr Bolster (or his nominee)	\$0.108	\$0.0658	\$0.04998

All these options vested immediately and are exercisable at the prices given and expire on 12 August 2023.

Directors' Report

Remuneration Report (Continued)

Exercise of Options Granted as Remuneration

During the year, 4,000,000 ordinary shares were issued on exercise of 4,000,000 options previously granted as remuneration to a previous Directors of the Company. No other shares were issued on exercise of options previously granted as remuneration to Directors or Key Management Personnel of the Company.

The following options lapsed, expired or became un-exercisable during the year:

- 4,000,000 options with an exercise price of \$0.001, and a former expiry date of 4 December 2022, that were issued to now former directors during 2020, who resigned before the end of the 24 month vesting periods.
- 18,750,000 share options granted on 3 July 2017 and 26 September 2017 with an exercise price of \$0.20 and an expiry date of 10 October 2020.

Equity instrument disclosures relating to key management personnel

Option holdings

Key Management Personnel have the following interests in unlisted options over unissued shares of the Company.

2021	Balance at start of the period	Received during the period as remuneration	Other changes during the period ⁽ⁱ⁾	Balance at the end of the period ⁽ⁱⁱ⁾	Vested and exercisable at 30.06.2021 ⁽ⁱⁱⁱ⁾
<i>Directors</i>					
Simon Andrew	6,000,000	-	1,666,665	7,666,665	5,666,665
Xavier Braud	-	6,000,000	1,135,999	7,135,999	7,135,999
Simon Bolster	-	6,000,000	-	6,000,000	6,000,000
Justin Boylson	6,000,000	-	1,666,666	7,666,666	5,666,666

(i) Other changes during the year relates to shares issued as part of a placement.

(ii) Balance at the end of the year or when a director ceased to be a director.

Shareholdings

The number of shares in the Company held during the financial period by key management personnel of the Company, including their related parties are set out below. There were no shares granted during the reporting period as compensation.

2021	Balance at start of the year	Received during the year as remuneration	Other changes during the year	Balance at the end of the year ⁽ⁱ⁾
<i>Directors</i>				
Simon Andrew	1,000,000	-	3,333,333 ⁽ⁱⁱ⁾	4,333,333
Xavier Braud	1,151,165	-	1,120,835	2,272,000
Simon Bolster	3,350,000	-	-	3,350,000
Justin Boylson	2,000,000	-	3,333,333 ⁽ⁱⁱ⁾	5,333,333

(i) Balance at the end of the year or when a director ceased to be a director.

(ii) Other changes during the year relates to shares issued as part of a placement.

Directors' Report

Remuneration Report (Continued)

Loans made to key management personnel

No loans were made to key management personnel, including personally related entities during the financial year.

Loans from key management personnel

No loans were received from key management personnel, including personally related entities during the financial year.

Other transactions with key management personnel

During the year ended 30 June 2021, the Company incurred \$160,868 for research sponsorship and mineral exploration services provided by Portable PPB Pty Ltd, an entity associated with Mr Simon Bolster. These services provided by Portable PPB Pty Ltd were done so at an arm's length basis and on normal commercial terms. \$38,500 was owed to Portable PPB Pty Ltd at 30 June 2021.

End of Remuneration Report

Officers' Indemnities and Insurance

During the year the Company paid an insurance premium to insure certain officers of the Company. The officers of the Company covered by the insurance policy include the Directors named in this report.

The Directors and Officers Liability insurance provides cover against all costs and expenses that may be incurred in defending civil or criminal proceedings that fall within the scope of the indemnity and that may be brought against the officers in their capacity as officers of the Company. The insurance policy does not contain details of the premium paid in respect of individual officers of the Company. Disclosure of the nature of the liability cover and the amount of the premium is subject to a confidentiality clause under the insurance policy.

The Company has not provided any insurance for an auditor of the Company.

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 Group, or to intervene in any proceedings to which the Company or Group is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Company or Group with leave of the Court under section 237 of the *Corporations Act 2001*.

Non-audit Services

During the financial year HLB Mann Judd the Company's auditor, has not performed any other services in addition to their statutory duties.

Auditor's Independence Declaration

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

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

Dated at Perth this 30th day of September 2021.



Simon Andrew

Non-Executive Chairman

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the consolidated financial report of Riversgold Ltd for the year ended 30 June 2021, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

Perth, Western Australia
30 September 2021



D I Buckley
Partner

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Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the financial year ended 30 June 2021

	Note	Consolidated	
		30 June 2021 \$	Restated* 30 June 2020 \$
Continuing operations			
Interest revenue	5	2,502	1,260
Other income		22,500	28,090
Employee and director expenses	5	(230,654)	(351,648)
Share based payment expense		(704,889)	(872,301)
Corporate expenses		(158,400)	(136,414)
Administration and other expenses	5	(485,885)	(257,284)
Financing costs		(2,695)	(3,760)
Depreciation expense	10	(53,700)	(52,618)
Exploration costs expensed and written off	5	(22,930)	(8,961)
Loss before income tax		(1,634,151)	(1,653,636)
Income tax expense	6	-	-
Loss after tax from continuing operations		(1,634,151)	(1,653,636)
Loss after tax from discontinued operations	16	-	(7,397)
Loss for the year		(1,634,151)	(1,661,033)
Other comprehensive income, net of income tax			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange differences on translation of foreign operations		(243,060)	104,058
Total comprehensive loss for the year		(1,877,211)	(1,556,975)
		Cents	Cents
Basic and diluted loss per share from continuing operations	29	(0.42)	(0.85)
Basic and diluted loss per share	29	(0.42)	(0.85)

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

* The comparatives have been restated for reclassification of Afranex (Alaska) Limited to held for sale, discontinued operation.

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Consolidated Statement of Financial Position
As at 30 June 2021

	Note	Consolidated	
		30 June 2021 \$	30 June 2020 \$
Current assets			
Cash and cash equivalents	7	294,434	1,278,101
Trade and other receivables	8	198,450	21,596
Other current assets	9	9,617	6,535
Assets of disposal group	16	2,011,242	-
Total current assets		2,513,743	1,306,232
Non-current assets			
Property, plant and equipment	10	20,066	55,312
Right of use asset	10	11,283	33,854
Capitalised exploration and evaluation expenditure	11	4,678,755	4,853,257
Total non-current assets		4,710,104	4,942,423
Total assets		7,223,847	6,248,655
Current liabilities			
Trade and other payables	13	611,963	293,535
Employee leave liabilities	14	7,931	2,487
Lease liabilities	15	14,556	20,777
Liabilities of disposal group	16	665,070	-
Total current liabilities		1,299,520	316,799
Non-current liabilities			
Lease liabilities	15	-	14,555
Total Non-current liabilities		-	14,555
Total liabilities		1,299,520	331,354
Net assets		5,924,327	5,917,301
Equity			
Issued capital	17	16,940,626	15,716,278
Accumulated losses		(14,606,156)	(12,972,005)
Reserves	19	3,589,857	3,173,028
Total equity		5,924,327	5,917,301

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

Consolidated Statement of Changes in Equity
For the financial year ended 30 June 2021

	Consolidated				
	Issued capital \$	Accumulated losses \$	Share-based payment reserve \$	Foreign currency translation reserve \$	Total \$
At 1 July 2019	13,625,834	(11,310,972)	2,073,655	133,547	4,522,064
Loss for the year	-	(1,661,033)	-	-	(1,661,033)
Foreign currency translation	-	-	-	104,058	104,058
Total comprehensive loss	-	(1,661,033)	-	104,058	(1,556,975)
Transactions with equity holders in their capacity as equity holders:					
Shares issued	2,181,466	-	-	-	2,181,466
Share issue costs	(91,022)	-	-	-	(91,022)
Share-based payments:					
Employees/directors	-	-	861,768	-	861,768
Balance at 30 June 2020	15,716,278	(12,972,005)	2,935,423	237,605	5,917,301
At 1 July 2020	15,716,278	(12,972,005)	2,935,423	237,605	5,917,301
Loss for the year	-	(1,634,151)	-	-	(1,634,151)
Foreign currency translation	-	-	-	(243,060)	(243,060)
Total comprehensive loss	-	(1,634,151)	-	(243,060)	(1,877,211)
Transactions with equity holders in their capacity as equity holders:					
Shares issued	1,242,364	-	-	-	1,242,364
Share issue costs	(18,016)	-	-	-	(18,016)
Share-based payments:					
Employees/directors	-	-	659,889	-	659,889
Balance at 30 June 2021	16,940,626	(14,606,156)	3,595,312	(5,455)	5,924,327

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

Consolidated Statement of Cash Flows
For the financial year ended 30 June 2021

	Note	Consolidated	
		30 June 2021 \$	30 June 2020 \$
Cash flows from operating activities			
Payments to suppliers and employees		(931,327)	(702,813)
Interest received		2,502	1,260
Other Income		25,000	12,735
Interest paid		(1,705)	(3,760)
Net cash used in operating activities	28	(905,530)	(692,578)
Cash flows from investing activities			
Payments for exploration and evaluation		(1,704,009)	(346,771)
Proceeds on disposal of mineral exploration interests		638,343	
Payment for property, plant and equipment		-	(11,143)
Net cash used in investing activities		(1,065,666)	(357,914)
Cash flows from financing activities			
Proceeds from the issue of shares		1,027,808	2,084,232
Payments for share issue costs		(18,017)	(94,321)
Proceeds from borrowings		-	-
Reduction in finance lease liabilities	15	(22,370)	35,332
Repayment of borrowings		-	(103,247)
Net cash from financing activities		987,421	1,921,996
Net (decrease) / increase in cash held		(983,775)	871,504
Cash at the beginning of the financial year		1,278,101	406,597
Effect of exchange rate fluctuations on cash held		108	-
Cash at the end of the financial year	7	294,434	1,278,101

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

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**Notes to the Consolidated Financial Statements
For the financial year ended 30 June 2021**

Note 1 Summary of significant accounting policies

Riversgold Limited ('the Company') is a listed public company domiciled in Australia. The consolidated financial report of the Company for the financial year ended 30 June 2021 comprises the Company and its subsidiaries (together referred to as the 'Group').

The following is a summary of the material accounting policies adopted by the Group in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

(a) Basis of preparation

This general purpose financial report has been prepared in accordance with Australian equivalents to International Financial Reporting Standards (AIFRS), other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

The financial report is presented in Australian dollars and all values are rounded to the nearest dollar.

The financial report of the Group was authorised for issue in accordance with a resolution of Directors on 30 September 2021.

Going Concern

These financial statements have been prepared on the going concern basis which contemplates the continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

For the year ended 30 June 2021, the Group incurred an operating loss of \$1,634,151 and had net operating cash outflows of \$905,530. The Directors recognise the Group is dependent on capital raising to meet expenditure forecasts. The Directors are of the opinion that the Group is a going concern as it expects to be paid the remaining amounts receivable for the sale of the Alaskan Afranex Project as disclosed in note 16, while expenditures can be reduced to meet funds available.

The Group has cash of \$294,434 as at 30 June 2021 and net current assets of \$1,214,233 at 30 June 2021. The Group has received an additional \$US400,000 or \$AUD539,499 from the Alaskan Afranex sale proceeds since 30 June 2021 and is due to receive a further \$US600,000 or \$AUD798,084 before completion of the sale.

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

Statement of Compliance

The consolidated financial report of Riversgold Limited complies with Australian Accounting Standards, which include Australian Equivalents to International Financial Reporting Standards (AIFRS), in their entirety. Compliance with AIFRS ensures that the financial report also complies with International Financial Reporting Standards (IFRS) in their entirety.

**Notes to the Consolidated Financial Statements
For the financial year ended 30 June 2021**

Note 1 Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

Adoption of New and Revised Standards

Standards and Interpretations applicable to 30 June 2021

In the financial year ended 30 June 2021, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Group and effective for the current annual reporting period. As a result of this review, the Directors have determined that there is no material impact of the new and revised Standards and Interpretations on the Group.

The adoption of the new Conceptual Framework for Financial Reporting from 1 July 2020 has not led to any changes in accounting or disclosure for the Group, but the new Conceptual Framework may be referred to if accounting matters arise that are not addressed by accounting standards.

The adoption of the new definition of material included in *AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material* from 1 July 2020 provides a new definition of material, which now extends materiality consideration to obscuration and clarifies that materiality now depends on the nature or magnitude of information.

Standards and Interpretations in issue not yet effective

Certain new accounting standards and interpretations have been published that are not mandatory for the financial year ended 30 June 2021. The Company has reviewed all of the standards and interpretations in issue not yet effective and has assessed that these will not have a material effect on the Company. The Company does not plan to adopt these standards early.

Reporting basis and conventions

These financial statements have been prepared under the historical cost convention, and on an accrual basis.

Critical accounting estimates

The preparation of financial statements in conformity with AIFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

Principles of consolidation

The financial statements of subsidiary companies are included in the consolidated financial statements from the date control commences until the date control ceases. The financial statements of subsidiary companies are prepared for the same reporting period as the parent company, using consistent accounting policies.

Inter-entity balances resulting from transactions with or between controlled entities are eliminated in full on consolidation. Investments in subsidiary companies are accounted for at cost in the individual financial statements of the Company.

(b) Segment reporting

Operating segments are identified and segment information disclosed, where appropriate, on the basis of internal reports reviewed by the Company's Board of Directors, being the Group's Chief Operating Decision Maker, as defined by AASB 8.

**Notes to the Consolidated Financial Statements
For the financial year ended 30 June 2021**

Note 1 Summary of significant accounting policies (continued)

(c) Revenue

The revenue recognised in any period is based on the delivery of performance obligations and an assessment of when control is transferred to the customer. Revenue is recognised either when the performance obligation in the contract has been performed, so “point in time” recognition or “over time” as control of the performance obligation is transferred to the customer.

Income is only classifiable as revenue from contracts with customers if the income is from agreed commercial contracts with specified rights to assets or services to be transferred, specified payment terms, probable payment by the customer, and have consideration exchanged for assets or services that are an output of Group’s ordinary activities. Sales of assets that are not an output of the Group’s ordinary activities are outside the definition of revenue.

Interest revenue is recognised on a time proportionate basis and is recognised as it accrues.

(d) Income tax

The income tax expense or revenue for the period is the tax payable on the current period’s taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to the temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary timing differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantially enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to those timing differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

**Notes to the Consolidated Financial Statements
For the financial year ended 30 June 2021**

Note 1 Summary of significant accounting policies (continued)

(e) Leases

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.

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.

(f) Impairment of assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash generating units). Non-financial assets, other than goodwill, that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

**Notes to the Consolidated Financial Statements
For the financial year ended 30 June 2021**

Note 1 Summary of significant accounting policies (continued)

(g) Cash and cash equivalents

For cash flow statement presentation purposes, 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.

(h) Government grants

Government grants are recognised at fair value where there is reasonable assurance that the grant will be received and all grant conditions will be met. Grants relating to expense items are recognised as income over the periods necessary to match the grant to the costs they are compensating. Grants relating to assets are deducted from the carrying value of the relevant asset.

Amounts receivable from the Australian Tax Office in respect of research and development tax concession claims are recognised in the year in which the claim is lodged with the Australian Tax Office. Amounts receivable are allocated in the financial statements against the corresponding expense or asset in respect of which the research and development concession claim has arisen.

(i) Fair value estimation

The nominal value less estimated credit loss adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

(j) Property, plant and equipment

Property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the assets. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation of property, plant and equipment is calculated using the straight line and diminishing value methods to allocate their cost, net of residual values, over their estimated useful lives. The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 1(f)). Gains and losses on disposal are determined by comparing proceeds with the carrying amount. These gains and losses are included in the profit or loss.

**Notes to the Consolidated Financial Statements
For the financial year ended 30 June 2021**

Note 1 Summary of significant accounting policies (continued)

(k) Capitalised exploration and evaluation expenditure

Exploration and evaluation expenditures in relation to each separate area of interest are recognised as an exploration and evaluation asset in the year in which they are incurred where the following conditions are satisfied:

- (i) the rights to tenure of the area of interest are current; and
- (ii) at least one of the following conditions is also met:
 - (a) the exploration and evaluation expenditures are expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale; or
 - (b) exploration and evaluation activities in the area of interest have not at the reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are initially measured at cost and include acquisition of rights to explore, studies, exploratory drilling, trenching and sampling and associated activities and an allocation of depreciation and amortised of assets used in exploration and evaluation activities. General and administrative costs are only included in the measurement of exploration and evaluation costs where they are related directly to operational activities in a particular area of interest.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The recoverable amount of the exploration and evaluation asset (for the cash generating unit(s) to which it has been allocated being no larger than the relevant area of interest) is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.

Where a decision has been made to proceed with development in respect of a particular area of interest, the relevant exploration and evaluation asset is tested for impairment and the balance is then reclassified to development.

Farm-in arrangements (in the exploration and evaluation phase)

For exploration and evaluation asset acquisitions (farm-in arrangements) in which the Group has made arrangements to fund a portion of the selling partner's (farminer's) exploration and/or future development expenditures (carried interests), these expenditures are reflected in the financial statements as and when the exploration and development work progresses.

Farm-out arrangements (in the exploration and evaluation phase)

The Group does not record any expenditure made by the farminee on its accounts. It also does not recognise any gain or loss on its exploration and evaluation farm-out arrangements but redesignates any costs previously capitalised in relation to the whole interest as relating to the partial interest retained.

Monies received pursuant to farm-in agreements are treated as a liability on receipt and until such time as the relevant expenditure is incurred.

**Notes to the Consolidated Financial Statements
For the financial year ended 30 June 2021**

Note 1 Summary of significant accounting policies (continued)

(l) Joint ventures and joint operations

Joint ventures

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Investments in joint ventures are accounted for using the equity method. Under the equity method, the share of the profits or losses of the joint venture is recognised in profit or loss and the share of the movements in equity is recognised in other comprehensive income. Investments in joint ventures are carried in the statement of financial position at cost plus post-acquisition changes in the Group's share of net assets of the joint venture. Goodwill relating to the joint venture is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment. Income earned from joint venture entities reduce the carrying amount of the investment.

Joint operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. The Group has recognised its share of jointly held assets, liabilities, revenues and expenses of joint operations. These have been incorporated in the financial statements under the appropriate classifications.

(m) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. The amounts are unsecured and usually paid within 30 days of recognition. Trade and other payables are carried at amortised cost.

(n) Employee benefits

Wages, salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits, and annual leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

Long service leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future salaries, experience of employee departures and periods of service. Expected future payments are discounted at the corporate bond rate with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

**Notes to the Consolidated Financial Statements
For the financial year ended 30 June 2021**

Note 1 Summary of significant accounting policies (continued)

(o) Share-based payments

Share-based payments

Share-based payments are made when the Group issues or grants shares, performance rights, share options or cash settled share based payments to counterparties, including directors and employees, in consideration for goods or services. These may be subject to vesting conditions.

Fair values of options, performance rights and shares granted are recognised as a share based payment expense with a corresponding increase in equity unless other classifications are more appropriate. Fair values are measured at grant date and recognised over the period during which the counterparty become unconditionally entitled to the share-based payments.

Fair values at grant date of share options are determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free rate for the term of the option. Fair values at grant date of performance rights and shares are based on the Company's closing share price at the grant date. Fair values of share-based payments are adjusted to reflect market based vesting conditions.

Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. At each balance date, the entity revises its estimate of the number of options that are expected to become exercisable. The share based payment expense recognised each period takes into account the most recent estimates.

Proceeds received on the exercise of options, net of any directly attributable transaction costs, are credited to share capital.

(p) Issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(q) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing the earnings attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

(r) Comparative figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

**Notes to the Consolidated Financial Statements
For the financial year ended 30 June 2021**

Note 1 Summary of significant accounting policies (continued)

(s) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as a part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the balance sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the taxation authority, are presented as operating cash flow.

(t) Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification.

Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless, an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Financial assets at fair value through profit or loss

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either:

- (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or
- (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income include equity investments which the Group intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

Notes to the Consolidated Financial Statements
For the financial year ended 30 June 2021

Note 1 Summary of significant accounting policies (continued)

(t) Investments and other financial assets (continued)

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Group's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets measured at fair value through other comprehensive income, the loss allowance is recognised within other comprehensive income. In all other cases, the loss allowance is recognised in profit or loss.

(u) Fair value estimation

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods:

Investments in equity and debt securities

The fair value of financial assets at fair value through profit or loss is determined by reference to their quoted bid price at the reporting date. The fair value of held to maturity investments is determined for disclosure purposes only. For investments with no active market, fair value is determined using valuation techniques. Such techniques include using recent arm's length market transactions, reference to the current market value of another instrument that is substantially the same, discounted cash flow analysis and option pricing models.

Trade and other receivables

The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. An impairment loss is calculated as the difference between the present value of the contractual and expected future cashflows.

**Notes to the Consolidated Financial Statements
For the financial year ended 30 June 2021**

Note 1 Summary of significant accounting policies (continued)

(u) Fair value estimation (continued)

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified, into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

(v) Disposal groups and discontinued operations.

A disposal group is a group of assets to be disposed of, by sale or otherwise, in a single transaction, along with liabilities directly associated with those assets. Disposal groups are recognised when the disposal group is available for immediate sale in its present condition, subject to usual terms for such sale, and the sale is highly probable.

Disposal groups are initially valued at the lower of the net carrying amount of assets and liabilities in the disposal group, or of the fair value less expected selling costs. Disposals groups are revalued at each balance date, but gains are only recognised to the extent that the gains reverse previous impairment losses.

Disposal groups that are clearly distinguished from the rest of the Group and a separate business line or geographical area of operations are recognised as discontinued operations. Profits or losses of discontinued operations are separately identified in the Consolidated Statement of Profit or Loss and Other Comprehensive Income. Assets and liabilities of disposal groups are separately disclosed in the Consolidated Statement of Financial Position.

**Notes to the Consolidated Financial Statements
For the financial year ended 30 June 2021**

Note 1 Summary of significant accounting policies (continued)

(w) Foreign currency translation

The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each group entity are expressed in Australian dollars ('\$'), which is the functional currency of the Company and the presentation currency for the consolidated financial statements.

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Nonmonetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences on transactions entered into in order to hedge certain foreign currency risks; and
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into Australian dollars using exchange rates prevailing at the end of the reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, loss of joint control over a jointly controlled entity that includes a foreign operation, or loss of significant influence over an associate that includes a foreign operation), all of the accumulated exchange differences in respect of that operation attributable to the Group are reclassified to profit or loss.

There is no reclassification of accumulated exchange differences to profit or loss on recognition of a disposal group or discontinued operation before the actual disposal occurs.

**Notes to the Consolidated Financial Statements
For the financial year ended 30 June 2021**

Note 2 Financial risk management

The Group has exposure to various risks from its use of financial instruments. This note describes the Group's exposure to specific risks, and policies and processes for measuring and managing those risks. The Board of Directors has the overall responsibility for the risk management framework and has adopted a Risk Management Policy.

(a) 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 transactions with customers and investments.

Trade and other receivables

The nature of the business activity of the Group does not result in trading receivables. The receivables that the Group does experience through its normal course of business are short term and the most significant recurring by quantity is receivable from the Australian Taxation Office, the risk of non-recovery of receivables from this source is considered to be negligible.

Cash deposits

The Directors believe any risk associated with the use of predominantly only one bank is addressed through the use of at least an A-rated bank as a primary banker. Except for this matter the Group currently has no significant concentrations of credit risk.

Assets of disposal group

As disclosed in note 3, the Directors believe the expected proceeds from sale of US subsidiary Afranex (Alaska) Limited, which holds all US assets, are highly likely, and with no expected loss if the counterparty is unable to complete the payments. Although this is not a financial asset, the expected sale amounts are the basis for valuing the assets of the disposal group without any impairment.

(b) 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 monitoring cash reserves and forecast spending. Management is cognisant of the future demands for financial resources to finance the Company's current and future operations, and considers liquid assets available before committing to future expenditure or investment.

(c) Market risk

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

Interest rate risk

The Group has significant cash assets which may be susceptible to fluctuations in changes in interest rates. Whilst the Group requires the cash assets to be sufficiently liquid to cover any planned or unforeseen future expenditure, which prevents the cash assets being committed to long term fixed interest arrangements; the Group does mitigate potential interest rate risk by entering into short to medium term fixed interest investments.

Equity risk

The Group has no direct exposure to equity price risk.

**Notes to the Consolidated Financial Statements
For the financial year ended 30 June 2021**

Note 2 Financial risk management (continued)

Foreign exchange risk

The Group undertakes operations outside of Australia that are denominated in currencies other than Australian Dollars. The expected proceeds from sale, assets and liabilities of the disposal group disclosed in note 16 are denominated in USD.

The Group may, in respect of these operations, be exposed to fluctuations in foreign exchange rates which will have direct impact on the Group's net assets. Movements in foreign exchange may favourably or adversely affect future amounts to be incurred by the Group.

Other than the above, the Group does not have any direct contact with foreign exchange fluctuations other than their effect on the general economy.

Note 3 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances.

Accounting for capitalised exploration and evaluation expenditure

The application of the Group's accounting policy for exploration and evaluation expenditure (see note 1(k)) requires judgment in determining whether it is likely that future economic benefits are likely either from future exploitation or sale or where activities have not reached a stage which permits a reasonable assessment of the existence of reserves. The deferral policy requires management to make certain estimates and assumptions about future events or circumstances, in particular whether an economically viable extraction operation can be established. Estimates and assumptions made may change if new information becomes available.

During the year the Group continued defending against objections to expenditure exemptions and applications for forfeiture on several tenements. Having taken legal advice, the Directors of Riversgold are of the opinion that their applications for exemption have substantial merit and the risk of forfeiture is low.

Accounting for share-based payments

Values of share-based payments have been estimated based on the fair values of equity instruments granted. Fair values of share-based payments are estimated as disclosed in note 1(o). Some parameters for valuation models, particularly volatility, are subject to significant judgement. The sensitivity of valuations to changes in parameters varies considerably, but option valuations can be particularly sensitive to volatility. See note 18 for details.

**Notes to the Consolidated Financial Statements
For the financial year ended 30 June 2021**

Note 3 Critical accounting estimates and judgements (continued)

Recognition of disposal group

The Group agreed to sell its US subsidiary Afranex (Alaska) Limited, which holds all US assets and related liabilities, on 12 April 2021. This met the recognition criteria for a disposal group as outlined in Note 1(v).

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

The assets of the disposal group, which consist solely of capitalised tenement acquisition costs and mineral exploration expenditure had a net carrying amount of \$2,011,242, and are not impaired because the expected sale proceeds of \$USD1,550,000 (\$AUD2,061,718) plus future contingent payments are in excess of the carrying amount of the assets.

The \$USD500,000 (\$AUD665,070) received to 30 June 2021 is recognised as a liability because it would be refundable if the Group withdraws from the sale for reasons other than outstanding instalment payments.

This sale is not treated as revenue from contracts with customers because the assets in the disposal group are not an output of the ordinary activities of the Group. Although the Group explores and develops mineral exploration interests, the Group does not ordinarily put these assets in a form to enable due diligence and sale. Full payment by the purchaser is considered highly likely because \$USD500,000 (\$AUD 665,070) has already been paid by the purchaser to 30 June 2021, the Group can choose to terminate the sale agreement if any instalment payment is over five business days late, the Group can retain both the assets and all previous payments if the Group terminates the sale following an overdue instalment, and the obligations of the purchaser are guaranteed by Australian company Clutch Group Pty Ltd.

See note 16 for details.

Note 4 Segment information

The Group has identified its operating segments based on the internal reports that are reviewed and used by the board of directors in assessing performance and determining the allocation of resources. Reportable segments disclosed are based on aggregating operating segments, where the segments have similar characteristics.

The Group's activities encompass mineral exploration and resource development in various international jurisdictions and as such management currently identifies the Groups geographic positions as its operating segments.

The following tables present revenue and profit information and certain asset and liability information regarding business segments for the financial years ended 30 June 2021 and 30 June 2020.

Notes to the Consolidated Financial Statements
For the financial year ended 30 June 2021

Note 4 Segment information (continued)

30 June 2021	Australia \$	Discontinued operation (Alaska) \$	Cambodia \$	Consolidated \$
Interest income	2,502	-	-	2,502
Other Income	22,500	-	-	22,500
Segment income	25,002	-	-	25,002
Segment loss before income tax expense	1,634,151	-	-	1,634,151
Current assets	502,501	2,011,242	-	2,513,743
Non-current assets	4,710,104	-	-	4,710,104
Segment assets	5,212,605	2,011,242	-	7,223,847
Segment liabilities	634,450	665,070	-	1,299,520
<i>Included within segment loss</i>				
Depreciation	53,700	-	-	52,618
Exploration costs expensed and written off	22,930	-	-	22,930
Employee and director expenses	230,654	-	-	230,654
Interest expense	1,560	-	-	1,560
<i>Included within segment assets</i>				
Fixed asset expenditure during the period	-	-	-	-
Exploration incurred during the period	2,039,795	-	-	2,039,795
<i>Cash flow information</i>				
Net cash outflows from operating activities	(905,530)	-	-	(905,530)
Net cash (outflows)/ inflows from investing activities	(1,658,123)	592,457	-	(1,065,666)
Net cash inflows from financing activities	987,421	-	-	987,421

Notes to the Consolidated Financial Statements
For the financial year ended 30 June 2021

Note 4 Segment information (continued)

30 June 2020	Australia \$	Discontinue d operation (Alaska) \$	Cambodia \$	Consolidated \$
Interest income	1,260	-	-	1,260
Other Income	28,090	-	-	28,090
Segment income	29,350	-	-	29,350
Segment loss before income tax expense	1,637,570	7,397	16,066	1,661,033
Current assets	1,268,252	37,980	-	1,306,232
Non-current assets	2,751,055	2,191,368	-	4,942,423
Segment assets	4,019,307	2,229,348	-	6,248,655
Segment liabilities	271,369	45,430	-	316,799
<i>Included within segment loss</i>				
Depreciation	52,618	-	-	52,618
Exploration costs expensed and written off	8,961	-	-	8,961
Employee and director expenses	1,223,947	-	-	1,223,947
Interest expense	2,492	-	-	2,492
<i>Included within segment assets</i>				
Fixed asset expenditure during the period	11,142	-	-	11,142
Exploration incurred during the period	149,140	188,670	-	337,810
<i>Cash flow information</i>				
Net cash outflows from operating activities	(358,701)	(319,811)	(16,066)	(692,578)
Net cash (outflows)/ inflows from investing activities	(396,375)	38,461	-	(357,914)
Net cash inflows from financing activities	1,921,996	-	-	1,921,996

Notes to the Consolidated Financial Statements
For the financial year ended 30 June 2021

	Consolidated	
	30 June 2021	30 June 2020
	\$	\$

Note 5 Loss for the year

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

Income

Interest income	2,502	1,260
Rental income	-	3,289
ATO Cash Flow Boost	22,500	24,500
Other Income	-	300
	<hr/>	<hr/>

Employee expenses

Salaries and wages	119,358	50,872
Directors' fees	162,083	221,232
Superannuation	13,852	17,857
Annual leave provided for	5,445	340
Other employee costs	33,028	61,345
Less: amount allocated to exploration	(103,112)	-
	<hr/>	<hr/>

Net employee expenses

230,654 351,648

Administration and other expenses include the following specific expenses:

Insurance	34,197	32,590
Legal fees	259,261	45,259
Travel and accommodation	6,827	84
Information technology expenses	7,597	15,826
Occupancy expenses	12,849	33,441
Marketing expenses	7,884	11,633
Accountancy	99,507	6,630
Other expenses	57,763	111,821
	<hr/>	<hr/>
	485,885	257,284

Exploration costs:

Unallocated exploration costs	-	8,961
Exploration costs written off	22,930	-
	<hr/>	<hr/>
	22,930	8,961

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**Notes to the Consolidated Financial Statements
For the financial year ended 30 June 2021**

	Consolidated 2021 \$	2020 \$
Note 6 Income tax		
<i>a) Reconciliation of income tax expense to prima facie tax payable</i>		
Profit/(Loss) from continuing operations before income tax expense	(1,634,151)	(1,661,033)
Tax at the Australian rate of 30%	(490,245)	(498,310)
Capital raising costs claimed	(40,220)	(53,176)
Non-deductible share-based payments	211,467	261,690
Other non-deductible expenses	129	2,688
Net deferred tax asset benefit not brought to account	318,869	287,108
Tax (benefit)/expense	-	-
<i>b) Deferred tax – Balance Sheet</i>		
<i>Assets</i>		
Revenue losses available to offset against future taxable income	2,639,493	980,711
Disposal group	311,319	-
Cambodian tenement applications	1,945,862	-
Deductible equity raising costs	55,373	119,744
Other unrecognised deferred tax balances	35,815	16,895
	4,987,862	1,117,350
<i>Liabilities</i>		
Capitalised exploration - Australia	(1,157,361)	(356,192)
Disposal group – unearned revenue	(199,521)	-
Net deferred tax asset not recognised	3,630,980	761,158

Unrecognised deferred tax balances for 2021 do not reconcile with unrecognised deferred tax balances for 2020 because prior year tax returns were amended to finalise tax treatment of prior year acquisitions. Unrecognised deferred tax balances are based on the best available information, but are uncertain because of variations in tax treatment of capital losses on foreign assets. Available tax losses are Australian tax revenue losses of \$8,775,395 (\$5,677,770 per 2020 Australian consolidated tax return) with no capital losses available. Foreign tax losses are not included because of the nature of the Cambodian assets and the disposal group. All unused tax losses were incurred by Australian entities.

Notes to the Consolidated Financial Statements
For the financial year ended 30 June 2021

Note 6 Income tax (continued)

The deferred tax benefit of tax losses not brought to account will only be obtained if:

- (i) The Company derives future assessable income of a nature and an amount sufficient to enable the benefit from the tax losses to be realised;
- (ii) The Company continues to comply with the conditions for deductibility imposed by tax legislation; and
- (iii) No changes in tax legislation adversely affect the Company realising the benefit from the deduction of the losses.

	Consolidated 2021	2020
	\$	\$

Note 7 Current assets - Cash and cash equivalents

Cash at bank and on hand	294,434	272,102
Short term deposit ¹	-	1,005,999
Total cash and cash equivalents	<u>294,434</u>	<u>1,278,101</u>

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

(a) Reconciliation to cash at the end of the year

The above figures are reconciled to cash at the end of the financial year as shown in the statement of cash flows as follows:

Cash and cash equivalents per statement of cash flows	<u>294,434</u>	<u>1,278,101</u>
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Note 8 Current assets – Trade and other receivables

Trade Debtors	2,032	1,809
GST receivable	196,418	17,287
Accrued income	-	2,500
	<u>198,450</u>	<u>21,596</u>

Details of fair value and exposure to interest risk are included at note 20.

Note 9 Current assets – Other current assets

Prepayments	3,082	-
Rental Bond	6,095	6,095
Security bond	440	440
	<u>9,617</u>	<u>6,535</u>

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Notes to the Consolidated Financial Statements
For the financial year ended 30 June 2021

	Consolidated 2021 \$	2020 \$
Note 10 Non-Current assets – Property, plant and equipment		
<i>Leasehold Improvements</i>		
At cost	11,142	11,142
Accumulated depreciation	(8,028)	(2,457)
	<u>3,114</u>	<u>8,685</u>
<i>Field equipment</i>		
At cost	9,611	9,611
Accumulated depreciation	(9,582)	(7,513)
	<u>29</u>	<u>2,098</u>
<i>Office equipment</i>		
At cost	67,686	83,835
Accumulated depreciation	(58,926)	(59,345)
	<u>8,760</u>	<u>24,490</u>
<i>Motor Vehicles</i>		
At cost	47,497	47,497
Accumulated depreciation	(39,334)	(27,459)
	<u>8,163</u>	<u>20,038</u>
<i>Total property, plant and equipment</i>	<u>20,066</u>	<u>55,312</u>
<i>Right-to-use Asset</i>		
At cost	45,139	45,139
Accumulated depreciation	(33,856)	(11,285)
	<u>11,283</u>	<u>33,854</u>
Reconciliation		
<i>Leasehold Improvements</i>		
Opening net book value	8,685	-
Additions	-	11,142
Depreciation	(5,571)	(2,457)
Closing net book value	<u>3,114</u>	<u>8,685</u>
<i>Field equipment</i>		
Opening net book value	2,098	9,611
Depreciation	(2,069)	(7,513)
Closing net book value	<u>29</u>	<u>2,098</u>
<i>Office equipment</i>		
Opening net book value	24,490	83,835
Disposals	(4,116)	-
Depreciation	(11,614)	(59,345)
Closing net book value	<u>8,760</u>	<u>24,490</u>
<i>Motor Vehicles</i>		
Opening net book value	20,038	47,497
Depreciation	(11,875)	(27,459)
Closing net book value	<u>8,163</u>	<u>20,038</u>
<i>Right-of-Use Asset</i>		
Opening net book value	33,854	-
Additions	-	45,139
Depreciation	(22,571)	(11,285)
Closing net book value	<u>11,283</u>	<u>33,854</u>

**Notes to the Consolidated Financial Statements
For the financial year ended 30 June 2021**

Note 10 Non-Current assets – Property, plant and equipment (continued)

No items of property, plant and equipment have been pledged as security by the Group.

The Company leased an office in January 2020. This lease is reflected on the statement of financial position as a right-of-use asset and a lease liability. The company classifies its right-of-use assets in a consistent manner to its property plant and equipment. The lease is for a term of two years with an option for a further 4 years.

		Consolidated 2021	2020
		\$	\$
Note 11 Capitalised exploration and evaluation expenditure			
	Note		
Balance at the beginning of the year		4,853,257	4,515,447
Exploration expenditure incurred (including movement in USD/AUD exchange rates for year ended 30 June 2020))		2,041,073	337,810
Foreign exchange movement before recognition of disposal group		(181,403)	-
Recognition of disposal group (see note 16)		(2,011,242)	-
Capitalised costs written off during the financial year	5	(22,930)	-
Balance at the end of the year		<u>4,678,755</u>	<u>4,853,257</u>

The Group has recognised an impairment of previously capitalised exploration costs in respect of West Australian and South Australian tenements (Refer note 5).

The recoupment of costs carried forward in relation to areas of interest in the exploration and evaluation phases is dependent on the successful development and commercial exploitation or sale of the respective areas.

Note 12 Interests in joint ventures and farm-in arrangements

a) Joint Venture Agreements – Joint Operations

Joint venture agreements may be entered into with third parties.

Assets employed by these joint ventures and the Group's expenditure in respect of them is brought to account initially as capitalised exploration and evaluation expenditure until a formal joint venture agreement is entered into. Thereafter, investment in joint ventures is recorded distinctly from capitalised exploration costs incurred on the company's 100% owned projects. The Group was not party to joint arrangements during the year.

b) Farm-in Arrangements

The Group was party to the following farm-in arrangements during the financial year ended 30 June 2021:

Alloy Joint Venture – Earning In

The Company has entered into an agreement with Alloy Resources Limited ("Alloy") whereby the Company can earn up to an 85% interest in two granted Exploration Licences adjacent to its highly prospective Queen Lapage and Acra South targets in Western Australia.

**Notes to the Consolidated Financial Statements
For the financial year ended 30 June 2021**

Note 12 Interests in joint ventures and farm-in arrangements (continued)

b) Farm-in Arrangements (continued)

Significant terms of the farm-in arrangement as follows:

- The Company will pay Alloy \$30,000 cash as reimbursement for previous expenditure on the tenements.
- The Company must meet the minimum statutory expenditure of \$114,000 for the first year before withdrawing from the agreement.
- The Company can earn an initial 70% interest in the tenements by meeting statutory minimum expenditure requirements \$114,000pa for 3 years, including the first year.
- Upon the Company earning 70%, Alloy can elect to contribute pro-rata to further exploration or revert to a 15% free-carried interest to completion of a Definitive Feasibility Study (“DFS”), whereby the Company will have earned an 85% interest in the tenements.
- Upon completion of the DFS, Alloy will have an opportunity to contribute pro-rata to further exploration/development or revert to a 1.5% Net Smelter Royalty.
- The Company will manage exploration on the tenements.

Mamba Minerals Alaska Joint Venture – Earning In

In 2020, the Company signed a cash and earn-in agreement with Mamba Minerals LLC (Mamba Minerals) for its gold exploration portfolio in southwest Alaska, USA. The agreement was inclusive of Riversgold’s 100%-owned state mining claims over the high-grade Gemuk/Luna/Quicksilver gold project.

On 12 April 2021, this agreement was terminated by the sale agreement disclosed in note 16. The \$US290,000 (\$AUD403,436) that had been paid under this joint venture agreement to 12 April 2021 now forms part of the purchase consideration for the sale agreement as described in note 16.

	Consolidated 2021	2020
	\$	\$

Note 13 Current liabilities – Trade and other payables

Trade payables	474,921	103,538
Accrued expenses	109,000	18,500
Employment related payables	28,042	1,941
Funds received for shares to be issued	-	169,556
	611,963	293,535

Liabilities are not secured over the assets of the Group. Details of fair value and exposure to interest risk are included at note 20.

Notes to the Consolidated Financial Statements
For the financial year ended 30 June 2021

	Consolidated	
	2021	2020
	\$	\$

Note 14 Current liabilities - Employee leave liabilities

Annual leave liability	7,931	2,487
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Note 15 Lease Liabilities

Current Liability	14,556	20,777
Non-Current Liability	-	14,555
Closing Balance	14,556	35,332

Changes in liabilities arising from financing activities:

Opening balance	35,332	
Initial recognition	-	45,139
Interest charged	1,594	1,269
Principal repayment	(22,370)	(11,076)
Closing Balance	14,556	35,332

Note 16 Sale of Alaskan interests and recognition of disposal group

The Group agreed to sell its US subsidiary Afranex (Alaska) Limited, which holds all US assets and related liabilities, on 12 April 2021. This met the recognition criteria for a disposal group as outlined in Note 1(v).

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

The assets of the disposal group, which consist solely of capitalised tenement acquisition costs and mineral exploration expenditure had a net carrying amount of \$2,011,242, and are not impaired because the expected sale proceeds of \$USD1,550,000 (\$AUD2,061,718) plus future contingent payments are in excess of the carrying amount of the assets.

The \$USD500,000 (\$AUD665,070) received to 30 June 2021 is recognised as a liability because it would be refundable if the Group withdraws from the sale for reasons other than outstanding instalment payments.

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

- \$USD290,000 already received under the terminated farm out agreement;
- \$USD60,000 that was received on 12 April 2021;
- \$USD150,000 receivable by 21 April 2021 that was received on 22 April 2021;
- \$USD500,000 receivable by 21 June 2021 (amended to \$USD250,000 by 20 July 2021 and \$USD300,000 by 31 August 2021 – \$USD400,000 of these amounts received as at the date of this report);
- \$USD500,000 receivable by 20 August 2021 (amended to \$USD450,000 by 30 September 2021 – not received as at the date of this report);
- Completion not occurring until all above payments had been made, with no transfer of until all payments had been received;
- The Group being able to keep all funds received to date and terminate this agreement if any instalment is more than five business days overdue.

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**Notes to the Consolidated Financial Statements
For the financial year ended 30 June 2021**

Note 16 Sale of Alaskan interests and recognition of disposal group (continued)

- Payment of the instalments guaranteed by Australian entity Clutch Group Pty Ltd.
- An uncapped gross revenue royalty of 1.5% on all minerals produced from the Alaskan tenements;
- \$USD1,000,000 payable on the definition of an inferred mineral resource of 500,000 oz Au; and
- \$USD1,000,000 payable on the definition of an inferred mineral resource of 1,000,000 oz Au.

These payment terms were extended in July 2021, as disclosed in note 27. No impairment for potential non-payment has been recognised at 30 June 2021 because the payments are considered highly likely, the payments are guaranteed and the potential retention of the full project on non-payment would lead to no loss of value by the Group.

	Consolidated	
	2021	2020
	\$	\$
<i>Financial position of disposal group</i>		
Assets		
Capitalised mineral exploration interests	2,011,242	-
Total Assets	2,011,242	-
Liabilities		
Funds of \$USD500,000 received in advance for the sale	665,070	-
Total Liabilities	665,070	-
NET ASSETS	1,346,172	-
<i>Financial performance</i>		
Administration and other expensed	-	(7,397)
Loss after income tax	-	(7,397)
<i>Cash flow information</i>		
Net cash outflows from operating activities	-	(319,811)
Net cash inflows from investing activities	592,457	38,461
Net cash flows from financing activities	-	-
Total cash inflows/ (outflows)	592,457	(281,350)

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

Although the value of the disposal group is expected to be realised in \$USD, and the funds received in advance are denominated in \$USD, these are not considered financial instruments by relevant accounting standards. However, the Group had a net outstanding amount receivable at 30 June 2021 of \$USD1,000,000 or \$AUD1,330,141, in addition to royalty and contingent payments.

This is based on the 30 June 2021 AUD:USD exchange rate of 0.7518. Decreasing the AUD:USD exchange rate by 0.0100 to 0.7418 increases this net amount receivable by \$AUD17,931 to \$AUD1,348,072. Increasing the AUD:USD exchange rate by 0.0100 to 0.7618 decreases this net outstanding amount by \$AUD17,461 to \$AUD1,312,680.

**Notes to the Consolidated Financial Statements
For the financial year ended 30 June 2021**

Note 17 Issued capital

a) Ordinary shares

The Company is a public company limited by shares. The Company was incorporated in Perth, Western Australia. The Company's shares are limited whereby the liability of its members is limited to the amount (if any) unpaid on the shares respectively held by them.

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Ordinary shares have no par value. There is no limit to the authorised share capital of the Company.

	Issue price	30 June 2021		30 June 2020	
		Number	\$	Number	\$
<i>b) Share capital</i>					
Issued share capital		404,042,196	16,940,626	312,775,951	15,716,278
<i>c) Share movements during the year</i>					
Balance at the start of the period		312,775,951	15,716,278	101,181,543	13,625,834
Shares issued under a Share Placement	\$0.01	-	-	40,000,000	400,000
Shares issued on conversion of directors fees	\$0.01	-	-	10,053,332	100,533
Shares issued under a Share Placement	\$0.01	-	-	66,518,841	665,188
Shares issued under a Share Placement	\$0.001	-	-	29,500,000	295,000
Shares issued under a Share Placement	\$0.011	73,795,947	811,755	65,522,235	720,745
Issue of shares on exercise of options	\$0.03	12,720,298	381,609	-	-
Issue of shares on exercise of options	\$0.001	4,000,000	4,000	-	-
Issue of shares in consideration for option to acquire tenements	\$0.06	750,000	45,000	-	-
Less share issue costs		-	(18,016)	-	(91,022)
Balance at the end of the financial year		404,042,196	16,940,626	312,775,951	15,716,278

**Notes to the Consolidated Financial Statements
For the financial year ended 30 June 2021**

Note 18 Options and share-based payments

The current Riversgold Limited Employee Security Incentive Plan (“the Plan”) was approved on 27 November 2020. All eligible Directors, employees and consultants of Riversgold Limited are eligible to participate in the Plan.

The Plan allows the Company to issue equity securities to eligible persons. The equity securities can be granted free of charge and are exercisable at a fixed price in accordance with the Plan.

A net total of \$704,889 was recognised and expensed during 2021 for the following share-based payments and reversals:

- \$10,625 for Tranche 1 of Mr Andrews’ Options issued during 2020.
- (\$6,258) for reversal of Tranche 1 of Mr Davy’s Options issued during 2020.
- (\$6,258) for reversal of Tranche 1 of Mr Boylson’s Options issued during 2020.
- \$88,475 for Tranches 2 and 3 of the Director Options issued during 2020 that fully vested during the year.
- (\$195,598) following revaluation at grant date of the Director options issued to Mr Braud and Mr Bolster as described in note 18a).
- \$102,800 for the Hartleys options described in note 18a).
- \$544,375 for expensing of the Quarterback performance rights over the expected vesting period as described in note 18h).
- \$45,000 for 750,000 ordinary shares at a deemed value of \$0.06 per share, that were issued in consideration for an option to acquire tenements. These were recognised as share-based payments because option to acquire tenements did not meet recognition criteria for capitalised mineral exploration expenditure, but the shares issued have been recognised in issued capital as disclosed in note 17.
- \$80,970 for share options issued and granted to an external consultant on 8 March 2021 as described in note 18a).
- \$29,800 for share options issued and granted to an employee on 5 February 2021 as described in note 18a).
- \$10,958 for expensing of the employee performance rights over the expected vesting periods as described in note 18h).

a) Options issued during the period

The following options were issued during the year:

- 69,659,090 free attaching share options with an exercise price of \$0.03 and expiry date of 12 August 2023 were issued on 12 August 2020 for no further consideration to participants in the capital raising. 12,720,298 of these options were exercised during the year, as shown in note 17a), leaving 56,938,792 of these options on issue at 30 June 2021. These options were issued with nil value and nil expense recognised for accounting purposes.

**Notes to the Consolidated Financial Statements
For the financial year ended 30 June 2021**

Note 18 Options and share based payments (continued)

- 10,000,000 share options, with an exercise price of \$0.03 and expiring 12 August 2023 were issued to Hartleys for advisory services on 12 August 2021 following shareholder approval on 6 August 2020. These have been valued as at a measurement date of 15 March 2020, being the approximate date of performance of most relevant services for these options. The total value of these options of \$102,800 has been recognised and fully expensed as a share-based payment during the year.
- A total of 12,000,000 Director options were issued to Mr Braud and Mr Bolster on 12 August 2020 following shareholder approval on 6 August 2020. These options vested immediately, have exercise prices ranging from \$0.049 to \$0.108, and expire on 12 August 2023. These options were initially recognised at 30 June 2020 with a total value of \$816,418 expensed as a share-based payment, but have been revalued as at their 6 August 2020 grant date at a total value of \$620,820. The initial valuation of these options as at 30 June 2020 and consequent revaluation of these options during the year has been reflected with an expense of \$816,418 recognised in 2020, followed by a reversal of (\$195,598) during 2021, giving a final value of \$620,820.
- 3,000,000 share options were issued and granted to a consultant on 8 March 2021 with an exercise price of \$0.081 and expiry date of 12 August 2023. These options vested immediately. The total value of these options of \$80,970 has been recognised and fully expensed as a share-based payment during the year.
- 1,000,000 share options were issued and granted to an employee on 5 February 2021 with an exercise price of \$0.08 and expiry date of 5 February 2024. These options vested immediately. The total value of these options of \$29,800 has been recognised and fully expensed as a share-based payment during the year.

The above options are all valued with the Black-Scholes formula, using the following parameters, with no expected dividends or discounts for other factors. Historical volatility has been used as the basis for determining expected share price volatility.

Recipient	Measurement date	Expiry date	Exercise Price	Number of Options	Share Price at measurement date	volatility	interest rate	value per Option
Hartleys	15/05/20	12/08/23	\$0.03	10,000,000	\$0.016	123%	0.27%	\$0.01028
Mr Braud	6/08/20	12/08/23	\$0.049	2,000,000	\$0.06	176%	0.27%	\$0.05318
Mr Braud	6/08/20	12/08/23	\$0.057	2,000,000	\$0.06	176%	0.27%	\$0.05264
Mr Braud	6/08/20	12/08/23	\$0.076	2,000,000	\$0.06	176%	0.27%	\$0.05151
Mr Bolster	6/08/20	12/08/23	\$0.070	2,000,000	\$0.06	176%	0.27%	\$0.05185
Mr Bolster	6/08/20	12/08/23	\$0.081	2,000,000	\$0.06	176%	0.27%	\$0.05125
Mr Bolster	6/08/20	12/08/23	\$0.108	2,000,000	\$0.06	176%	0.27%	\$0.04998
Employee	5/02/21	5/02/24	\$0.08	1,000,000	\$0.046	127%	0.10%	\$0.02980
Consultant	8/03/21	12/08/23	\$0.081	3,000,000	\$0.046	128%	0.13%	\$0.02699

Notes to the Consolidated Financial Statements
For the financial year ended 30 June 2021

Note 18 Options and share based payments (continued)

b) Options exercised and on issue

A total of 16,720,298 share options were exercised during the year as shown in note 17c): 12,720,298 share options with an exercise price of \$0.03 that were issued to investors in 2021, and 4,000,000 share options with an exercise price of \$0.001 that were issued to now former directors in 2020.

c) Options cancelled during the period

The following options lapsed, expired or became un-exercisable during the year:

- 4,000,000 of the Tranche 1 options, with an exercise price of \$0.001, and a former expiry date of 4 December 2022, that were issued to now former directors during 2020 who resigned before the end of the 24 month vesting periods.
- 18,750,000 share options granted on 3 July 2017 and 26 September 2017 with an exercise price of \$0.20 and an expiry date of 10 October 2020.

d) Options on issue at the balance date

The number of options outstanding over unissued ordinary shares at 30 June 2021 is 103,603,347 (30 June 2020: 39,870,000). The terms of these options are as follows:

Date Granted or issued	Number	Exercise price	Expiry date
15 May 2017	3,000,000	20 cents	15 May 2022
1 March 2019	120,000	9 cents	28 February 2023
28 November 2019	14,000,000	0.1 cents	4 December 2022
12 August 2020	56,938,792	3 cents	12 August 2023
12 August 2020	10,000,000	3 cents	12 August 2023
12 August 2020	2,000,000	4.9 cents	12 August 2023
12 August 2020	2,000,000	5.7 cents	12 August 2023
12 August 2020	2,000,000	7.6 cents	12 August 2023
12 August 2020	2,000,000	7 cents	12 August 2023
12 August 2020	2,000,000	8.1 cents	12 August 2023
12 August 2020	2,000,000	10.8 cents	12 August 2023
5 February 2021	1,000,000	8 cents	5 February 2024
8 March 2021	3,000,000	8.1 cents	12 August 2023
Total	100,058,792		

**Notes to the Consolidated Financial Statements
For the financial year ended 30 June 2021**

Note 18 Options and share-based payments (continued)

e) Subsequent to the balance date

The following share options were issued and granted on 7 July 2021 to the Group's new CEO Julian Ford:

- 2,000,000 options with an exercise price of \$0.048 and expiry date of 7 July 2024.
- 2,000,000 options with an exercise price of \$0.055 and expiry date of 7 July 2024.
- 2,000,000 options with an exercise price of \$0.074 and expiry date of 7 July 2024.

f) Reconciliation of movement of options over unissued shares during the period including weighted average exercise price (WAEP)

	2021		2020	
	No.	WAEP (cents)	No.	WAEP (cents)
Options outstanding at the start of the period	39,870,000	10.94	22,320,000	19.94
Options issued to investors	69,659,090	3.00		
Options granted during the period	26,000,000	5.79	18,000,000	0.01
Options exercised during the period	(16,720,298)	2.31	-	
Options cancelled and expired unexercised during the period	(18,750,000)	20.0	(450,000)	20.0
Options outstanding at the end of the period	<u>100,058,792</u>	<u>3.84</u>	<u>39,870,000</u>	<u>10.94</u>

g) Weighted average contractual life

The weighted average remaining contractual life for un-exercised options is 24 months (2020: 16 months).

h) Performance rights

Quarterback Performance Rights

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

**Notes to the Consolidated Financial Statements
For the financial year ended 30 June 2021**

Note 18 Options and share-based payments (continued)

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

These performance rights have been valued at the grant date share price of \$0.06 each for a total value of \$3,000,000. The value of these performance rights is being expensed over the expected vesting period from 13 August 2020 to 17 June 2025 with \$544,375 recognised as an expense during the year.

Employee Performance Rights

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

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

These performance rights have been valued at the grant date share price of \$0.046 each for a total value of \$138,000. The value of these performance rights is being expensed over the expected vesting period from 5 February 2021 to 5 February 2026 with \$10,958 recognised as an expense during the year.

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Notes to the Consolidated Financial Statements
For the financial year ended 30 June 2021

Note 19 Reserves

	Consolidated			
	2021		2020	
	Foreign exchange translation reserve ⁽ⁱ⁾ \$	Share-based payment reserve ⁽ⁱⁱ⁾ \$	Foreign exchange translation reserve \$	Share-based payment reserve \$
Balance at the beginning of the year/period	237,605	2,935,423	133,547	2,073,655
Movement in foreign translation reserve in respect of exchange rate	(243,060)	-	104,058	-
Movement in share-based payment reserve in respect of options issued	-	104,556	-	861,768
Movement in share-based payment reserve in respect of performance rights issued	-	555,333	-	-
Balance at the end of the year/period	(5,455)	3,595,312	237,605	2,935,423

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

(ii) The share-based payment reserve is used to recognise the fair value of options and performance rights issued.

Note 20 Financial instruments

Credit risk

The Directors do not consider that the Group's financial assets are subject to anything more than a negligible level of credit risk, and as such no disclosures are made, note 2(a).

Impairment losses

The Directors do not consider that any of the Group's financial assets are subject to impairment at the reporting date. No impairment expense or reversal of impairment charge has occurred during the reporting period.

Interest rate risk

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

	Carrying amount (\$)	
	2021	2020
Fixed rate instruments		
Financial assets	-	1,005,999
Variable rate instruments		
Financial assets	294,434	272,102

At Balance date the Group is not materially exposed to interest rate risk.

Notes to the Consolidated Financial Statements
For the financial year ended 30 June 2021

Note 20 Financial instruments (continued)

Liquidity risk

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements, note 2(b):

Consolidated	Carrying amount \$	Contractual cash flows \$	< 6 months \$	6-12 months \$	1-2 years \$	2-5 years \$	> 5 years \$
2021							
Trade & other payables	611,963	611,963	611,963	-	-	-	-
Lease Liability	14,556	14,556	11,076	3,480	-	-	-
	626,519	626,519	623,039	3,480	-	-	-
2020							
Trade & other payables	293,535	293,535	293,535	-	-	-	-
Lease Liability	35,854	35,854	11,076	11,261	14,798	-	-
	329,389	329,389	304,611	11,261	14,798	-	-

Fair values

Fair values versus carrying amounts

The fair values of financial assets and liabilities, together with the carrying amounts shown in the balance sheet are as follows:

	Consolidated			
	2021 Carrying amount \$	Fair value \$	2020 Carrying amount \$	Fair value \$
Cash and cash equivalents	294,434	294,434	1,278,101	1,278,101
Trade other receivables	198,450	198,450	21,596	21,596
Trade and other payables	(611,963)	(611,963)	(293,535)	(293,535)
Lease Liability	(14,556)	(14,556)	(35,332)	(35,332)
	(133,635)	(133,635)	970,830	970,830

The Group's policy for recognition of fair values is disclosed at note 1(t).

**Notes to the Consolidated Financial Statements
For the financial year ended 30 June 2021**

Note 21 Dividends

No dividends were paid or proposed during the financial year ended 30 June 2021.

The Company has no franking credits available as at 30 June 2021.

Note 22 Key management personnel disclosures

(a) Directors and key management personnel

The following persons were directors of Riversgold Limited during the financial year:

- (i) *Chairman – non-executive*
Simon Andrew (appointed 28 August 2019)
- (ii) *Executive director*
Xavier Braud, Executive Director (appointed 10 June 2020)
- (iii) *Non-executive director*
Simon Bolster (appointed 23 June 2020)
- (iv) *Executive director*
Justin Boylson (appointed 28 August 2019-resigned 28 August 2020)

There were no other persons employed by or contracted to the Company during the financial year, having responsibility for planning, directing and controlling the activities of the Company, either directly or indirectly.

(b) Key management personnel compensation

A summary of total compensation paid to key management personnel during the year is as follows:

	2021 \$	2020 \$
Total short-term employment benefits	194,583	271,258
Total share-based payments ¹	(132,247)	859,768
Total post-employment benefits	3,286	11,875
	65,622	1,142,901

¹ The fair value of share based payments granted to Directors as remuneration is included in the financial statements over the periods that they vest.

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Notes to the Consolidated Financial Statements
For the financial year ended 30 June 2021

Note 23 Remuneration of auditors

	2021 \$	2020 \$
Audit and review of the Company's financial statements	25,390	28,187
Total	25,390	28,187

Note 24 Contingencies

(a) *Contingent liabilities*

There were no material contingent liabilities not provided for in the financial statements of the Group as at 30 June 2021 other than:

Native Title and Aboriginal Heritage

Native title claims have been made with respect to areas which include tenements in which the Group has an interest pursuant to various share sale and asset acquisition agreements.

The Group is unable to determine the prospects for success or otherwise of the claims and, in any event, whether or not and to what extent the claims may significantly affect the Group or its projects. Agreement is being or has been reached with various native title claimants in relation to Aboriginal Heritage issues regarding certain areas in which the Group has an interest.

(b) *Contingent assets*

There were no material contingent assets as at 30 June 2021 other than contingent payments receivable on the sale of Alaskan interests as disclosed in note 16.

Note 25 Commitments

(a) *Exploration*

The Group has certain obligations to perform minimum exploration work on mineral leases held. These obligations may be varied as a result of renegotiations of the terms of the exploration licences or their relinquishment. The minimum exploration obligations are less than the normal level of exploration expected to be undertaken by the Group.

As at balance date, total exploration expenditure commitments on tenements held by the Group have not been provided for in the financial statements. Commitments for the following twelve month period amount to approximately \$647,000 (2020: \$889,760).

(b) *Contractual Commitment*

There are no material contractual commitments as at 30 June 2021 and 30 June 2020 not otherwise disclosed in the Financial Statements.

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**Notes to the Consolidated Financial Statements
For the financial year ended 30 June 2021**

Note 26 Related party transactions

(a) *Subsidiaries*

Subsidiary Company	Country of Incorporation	Parent	Ownership Interest	
			30 June 2021	30 June 2020
Riversgold (Australia) Pty Ltd	Australia	Riversgold Ltd	100%	100%
Cambodia Gold Pty Ltd	Australia	Riversgold Ltd	100%	100%
Afranex Gold Pty Ltd ¹	Australia	Riversgold Ltd	100%	100%
Afranex (Alaska) Limited	USA	Afranex Gold Pty Ltd	100%	100%
North Fork Resources Pty Ltd	Australia	Afranex Gold Pty Ltd	100%	100%

The ultimate controlling party of the group is Riversgold Ltd.

(b) *Loans to controlled entities*

The following amounts are payable to the parent company, Riversgold Ltd, at the reporting date. These amounts are eliminated on consolidation.

	30 June 2021 \$	30 June 2020 \$
Riversgold (Australia) Pty Ltd	5,723,486	3,683,609
Afranex Gold Pty Ltd	2,071,668	2,627,379
Cambodia Gold Pty Ltd	305,441	305,441

(c) *Transactions with Directors*

Transactions with Directors, as directors of the Company, during the year are disclosed at Note 22 – Key Management Personnel.

During the year ended 30 June 2021, the Company incurred \$160,868 for research sponsorship and mineral exploration services provided by Portable PPB Pty Ltd, an entity associated with Mr Simon Bolster. These services provided by Portable PPB Pty Ltd were done so at an arm's length basis and on normal commercial terms. \$38,500 was owed to Portable PPB Pty Ltd at 30 June 2021.

There are no other related party transactions, other than those already disclosed elsewhere in this financial report.

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Notes to the Consolidated Financial Statements
For the financial year ended 30 June 2021

Note 27 Events occurring after the balance sheet date

On 7 July 2021 the Company announced the appointment of Chief Executive Officer Julian Ford with a base salary of \$150,000 plus statutory superannuation with a 3 month minimum termination period. The Company granted and issued 6,000,000 options to Mr Ford with the following terms:

- 2,000,000 options with an exercise price of \$0.048 and expiry date of 7 July 2024.
- 2,000,000 options with an exercise price of \$0.055 and expiry date of 7 July 2024.
- 2,000,000 options with an exercise price of \$0.074 and expiry date of 7 July 2024.

On 20 July 2021 the Company announced amendment to the Alaskan asset sale agreement for the following remaining payment terms:

- \$USD250,000 receivable by 26 July 2021 (received and cleared on 20 July 2021);
- \$USD300,000 on 31 August 2021 (\$USD150,000 of this received as at date of this report);
- \$USD450,000 receivable on 30 September 2021;
- An uncapped gross revenue royalty of 1.5% on all minerals produced from the Alaskan tenements;
- \$USD1,000,000 payable on the definition of an inferred mineral resource of 500,000 oz Au; and
- \$USD1,000,000 payable on the definition of an inferred mineral resource of 1,000,000 oz Au.

Other than started above there has not arisen between the end of the financial year and the date of this report any item of a material and unusual nature likely, in the opinion of the Directors of the Company to affect substantially the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial years.

	Consolidated 2021 \$	2020 \$
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Note 28 Reconciliation of loss after tax to net cash inflow from operating activities

Loss after income tax	(1,634,151)	(1,661,033)
<i>Adjustment for non-cash items:</i>		
Impairment of exploration	22,930	-
Exploration expensed	-	8,961
Share-based payments expense	704,889	861,768
Depreciation	53,700	52,618
Non cash share issue	-	100,533
Net foreign exchange differences	51,255	104,058
<i>Movement in assets and liabilities:</i>		
(Increase) in receivables	(176,854)	(8,481)
(Increase) in other assets	(3,082)	-
Increase/(decrease) in payables	70,339	(151,342)
Increase in employee leave liabilities	5,444	340
Net cash outflow from operating activities	(905,530)	(692,578)

There were no non-cash investment or financing activities during the year.

Notes to the Consolidated Financial Statements
For the financial year ended 30 June 2021

Note 29 Loss per share

	Consolidated	
	2021	2020
<i>a) Basic loss per share</i>	Cents	Cents
Loss attributable to ordinary equity holders of the Company for continuing operations	(0.42)	(0.85)
Loss attributable to ordinary equity holders of the Company	(0.42)	(0.85)
<i>b) Diluted loss per share</i>		
Loss attributable to ordinary equity holders of the Company for continuing operations	(0.42)	(0.85)
Loss attributable to ordinary equity holders of the Company	(0.42)	(0.85)
<i>c) Loss used in calculation of basic and diluted loss per share</i>		
	\$	\$
Consolidated loss after tax from continuing operations	(1,634,151)	(1,653,666)
Consolidated loss after tax	(1,634,151)	(1,661,033)
<i>d) Weighted average number of shares used as the denominator</i>	No.	No.
Weighted average number of shares used as the denominator in calculating basic and dilutive loss per share	386,021,046	194,743,785

At 30 June 2021 the Company has on issue 100,058,792 (30 June 2020: 39,870,000) unlisted options over ordinary shares that are not considered to be dilutive.

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Notes to the Consolidated Financial Statements
For the financial year ended 30 June 2021

Note 30 Parent entity information

	Company	
	2021	2020
	\$	\$
<i>Financial position</i>		
Assets		
Cash	294,434	1,276,343
Other current assets	208,067	25,631
Non-current assets – investments in subsidiaries	2,071,668	4,640,028
Non-current assets – other	31,349	89,166
Total Assets	2,605,518	6,031,068
Liabilities		
Current liabilities	634,450	99,312
Non-current liabilities	-	14,555
Total Liabilities	634,450	113,867
NET ASSETS	1,971,068	5,917,301
Equity		
Issued Capital	16,940,626	15,885,834
Reserves	3,595,312	2,935,423
Foreign Currency Reserve	-	1,233
Accumulated losses	(18,564,870)	(12,905,189)
TOTAL EQUITY	1,971,068	5,917,301
<i>Financial performance</i>		
Loss for the period	5,659,681	1,787,764
Other comprehensive income	-	-
Total comprehensive loss	5,659,681	1,787,764

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

No guarantees have been entered into by the parent entity in relation to the debts of its subsidiary companies.

Contingent liabilities

For full details of contingencies see Note 24.

Commitments

For full details of commitments see Note 25.

Riversgold Limited
ABN 64 617 614 598

Directors' Declaration

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

- (a) the accompanying financial statements and notes are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Accounting Standards and the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - (ii) give a true and fair view of the financial position as at 30 June 2021 and of the performance for the period ended on that date of the Group.
- (b) there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.
- (c) the financial statements comply with International Financial Reporting Standards as set out in Note 1.

The Directors have been given the declarations required by Section 295A of the *Corporations Act 2001* from the Chief Executive Officer and Chief Financial Officer for the financial year ended 30 June 2021.

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

Signed at Perth this 30th day of September 2021.



Simon Andrew
Non-Executive Chairman

INDEPENDENT AUDITOR'S REPORT

To the members of Riversgold Ltd

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Riversgold Ltd ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2021, the consolidated statement of profit or loss and other comprehensive, 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 2021 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(a) 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* paragraph above, 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
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Carrying amount of exploration and evaluation expenditure	
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Refer to Note 11

The carrying amount of exploration and evaluation expenditure as at 30 June 2021 is \$4,678,755.

In accordance with AASB 6 Exploration for and Evaluation of Mineral Resources, the Group capitalises all exploration and evaluation expenditure, including acquisition costs and subsequently applies the cost model after recognition.

Our audit focussed on the Group's assessment of the carrying amount of the capitalised exploration and evaluation asset, as this is one of the most significant assets of the Group.

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 discussed with management the nature of planned ongoing activities;
- We reviewed the cashflow forecast for the upcoming financial year for budgeted substantive exploration expenditure;
- We substantiated a sample of expenditure by agreeing to supporting documentation; and
- We examined the disclosures made in the financial report.

Discontinued Operations and Assets and Liabilities Classified as Held for Sale	
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Refer to Note 16

On 12 April 2021, the Group signed a share sale agreement with Mamba Minerals LLC to sell 100% of the shares of Afranex (Alaska) Limited. As a result of this transaction, Afranex (Alaska) Limited is a discontinued operation and the assets and liabilities are classified as held for sale.

The recognition and disclosure of this transaction in the financial report is complex and has a significant impact on the disclosure of the financial results and financial position of the Group.

We considered this to be a key audit matter as it is important to users' understanding of the financial statements as a whole.

Our procedures included but were not limited to the following:

- We ensured that the accounting for this matter is in line with the requirements of AASB 5 Non-current Assets Held for Sale and Discontinued Operations;
- We reviewed the share sale agreement;
- We considered the fair values of the assets and liabilities being disposed of; and
- We ensured that the appropriate disclosures have been made in the financial statements.

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 2021, but does not include the financial report and our auditor's report thereon.

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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 2021.

In our opinion, the Remuneration Report of Riversgold Ltd for the year ended 30 June 2021 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

Perth, Western Australia
30 September 2021



D I Buckley
Partner