



TODD RIVER
RESOURCES

ABN: 45 600 308 398

Annual Report

2017

CORPORATE DIRECTORY

DIRECTORS

Paul Burton (Technical Director)
Geoffrey Crow (Non-Executive Director)
Rex Turkington (Non-Executive Director)
Eddie Fry (Non-Executive Director)

COMPANY SECRETARY

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DOMESTIC STOCK EXCHANGE

Australian Securities Exchange (ASX)
Code: TRT

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2017 HIGHLIGHTS

CORPORATE

- ▼ Todd River Resources completes fully-subscribed \$6M Initial Public Offer (IPO) following successful demerger of the former base metal exploration assets held by vanadium developer TNG Limited (ASX: TNG).
- ▼ The Company officially listed on the Australian Securities Exchange under the ASX Ticker: TRT on Thursday, 6 April 2017.
- ▼ Cash balance at 30 June 2017 of \$4.1 million.

EXPLORATION ACTIVITIES

- ▼ Maiden drilling program in the Northern Territory commenced immediately after listing, with drilling of four high-priority geophysical targets at the Mount Hardy Copper-Zinc Project completed by the end of the reporting period.
- ▼ Final assays received from the drilling at Mount Hardy confirm significant zinc and copper intersections, with high-grade base metal values including:
 - 10.5m @ 4.15% Zn and 1.10% Cu;
 - 7.0m @ 1.77% Cu; and
 - 1.0m @ 12.75% Zn, 3.43% Pb and 3.30% Cu (19.48% combined base metals).
- ▼ Maximum base metal grades of 12.75% Zn, 4.05% Cu and 3.97% Pb returned.
- ▼ Down-hole geophysical surveys on the Mount Hardy holes commenced subsequent to the end of the reporting period, with the results to be used for final project assessment.
- ▼ Subsequent to the end of the reporting period, drilling commenced at the Walabanba Base Metal Project in the NT to test four EM targets. Down-hole geophysical surveys also planned for these holes, once completed.

- ▼ Mapping and sampling conducted over the southern Anningie Tin Field concurrently during July/August, to evaluate the lithium potential of this area.
- ▼ Leading geophysical survey company SkyTEM contracted to complete an airborne electromagnetic (AEM) survey over the 100%-owned McArthur River Base Metals Project.
- ▼ Aggressive exploration campaign to continue across the Company's asset portfolio throughout FY2018.

BUSINESS DEVELOPMENT

- ▼ Highly prospective Rover licence, EL 25581, together with applications EL 25582 and 25587, secured subsequent to the end of the reporting period. The Rover Licence EL25581 is located adjacent to Westgold Resources' Rover 1 deposit near Tennant Creek.
- ▼ The newly-secured Rover Project is highly prospective for gold, copper and bismuth and opens up an outstanding opportunity for the discovery of Tennant Creek-style copper-gold deposits.

SUMMARY

The 2017 Financial Year saw the successful completion of Todd River Resources Limited's (ASX: TRT) Initial Public Offering (IPO) and listing on the Australian Securities Exchange (ASX). The IPO was fully subscribed, raising the maximum subscription amount of \$6 million.

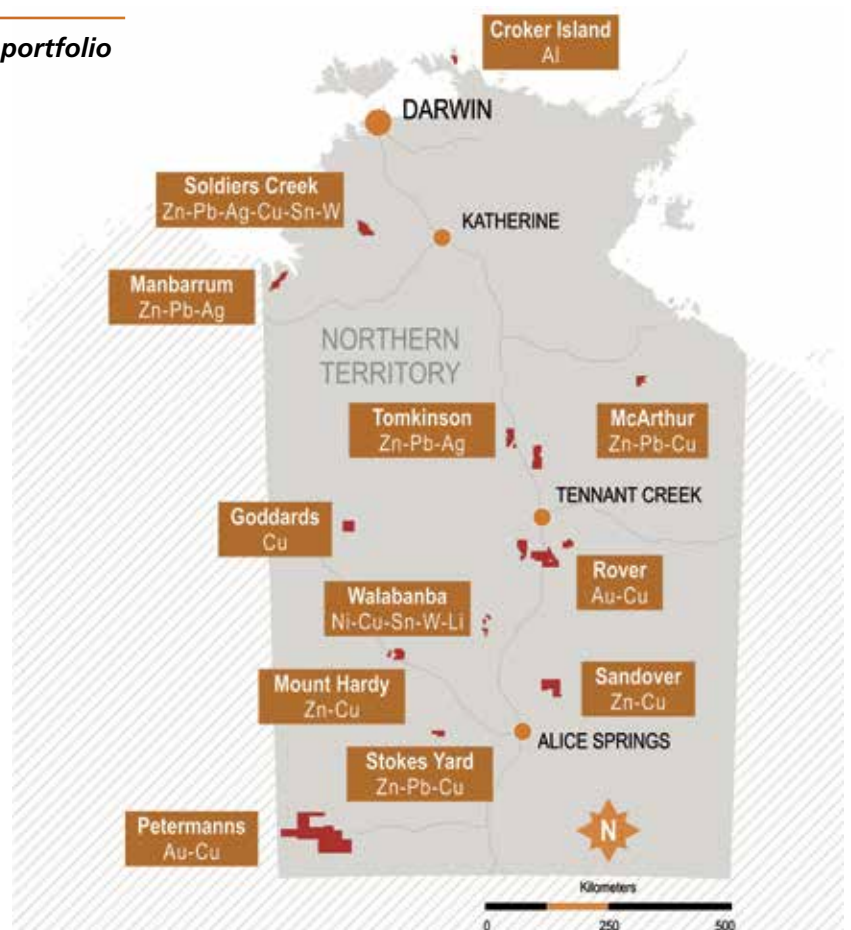
Todd River's asset portfolio was formed through the demerger of a series of base metals assets in the Northern Territory held by ASX-listed TNG Ltd (ASX: TNG).

Following completion of the demerger, Todd River Resources has emerged with a commanding base metals exploration portfolio, and a strategic objective to become a leading Australian zinc and copper explorer and developer.

The Company now holds a total of 13 exploration projects including the large Manbarrum Zinc Project, the Mount Hardy Copper-Zinc Project, the Stokes Yard Zinc Project and the McArthur Copper-Zinc project, as well as a number of other exploration projects covering base metals and other commodities including but not limited to gold, lithium, tantalum, tin and bauxite.

Following the Company's admission to the ASX, Todd River Resources immediately commenced its inaugural exploration drilling program at the 100%-owned Mount Hardy Copper-Zinc Project in the Northern Territory within days of listing

Figure 1. *Todd River Resources project portfolio in the Northern Territory.*



CORPORATE

INITIAL PUBLIC OFFER AND ADMISSION TO THE ASX

During the reporting period, Todd River Resources completed its Initial Public Offer (IPO), which closed with strong investor support after raising the maximum subscription amount of \$6 million.

Todd River Resources lodged a Prospectus dated 31 January 2017 (Original Prospectus) and a Supplementary Prospectus dated 10 February 2017 (Supplementary Prospectus) with the Australian Securities and Investments Commission (ASIC) offering up to 30,000,000 shares each at an issue price of \$0.20, together with one free attaching option for every two shares subscribed for and issued (Offer). The Offer consisted of both the General Offer and the priority TNG Offer.

The TNG Offer raised approximately \$1.52 million. The remaining funds of approximately \$4.48 million were raised via the General Offer with Lead Broker Sanlam Private Wealth receiving strong demand from investors.

Following completion of the IPO, Todd River Resources made its debut on the Australian Securities Exchange (ASX) on Thursday, 6 April 2017, with its shares trading under the ASX Ticker: TRT.

EXECUTIVE RECRUITMENT SEARCH FOR CEO

An executive recruitment search for a Chief Executive Officer has commenced, and an announcement regarding an appointment will be made in due course.

Mr Paul Burton (Managing Director of TNG Ltd) will remain as Technical Director to oversee the Company's exploration initiatives until a suitable candidate can be found.

EXPLORATION

MOUNT HARDY ZINC-COPPER PROJECT

Todd River completed its maiden drilling program at the 100%-owned Mount Hardy Copper-Zinc Project during FY2017.

Four high priority targets were drill tested as part of this program – the two strongest EM targets (EM#1 and EM#2), and the IP (Induced Polarisation) geophysical targets at Browns and Mount Hardy. Following the completion of drilling late in the reporting period, the focus at Mount Hardy switched to conducting down-hole geophysical surveys on all holes.

A total of 14 holes for 2,195m of Reverse Circulation (RC) drilling and 654m of diamond core were completed during the reporting period.

Following the receipt of final assay results, the drilling program delivered 27 values above 1% copper, 25 values above 1% zinc, and 11 values above 1% lead. Maximum recorded grades were 12.75% zinc, 4.05% copper and 3.97% lead, within 192 anomalous values (>0.1% combined base metals).

The results confirm the Project's strong prospectivity for base metal mineralisation.

Figure 2. Location of the Mount Hardy Project in the NT, with the areas drilled in red.

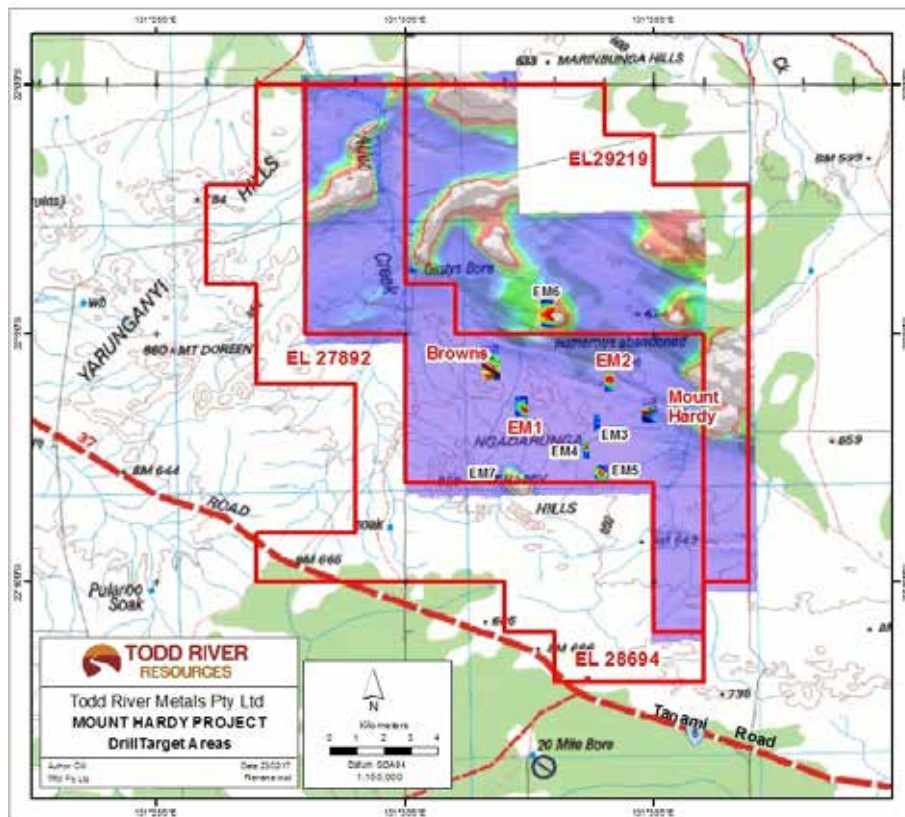
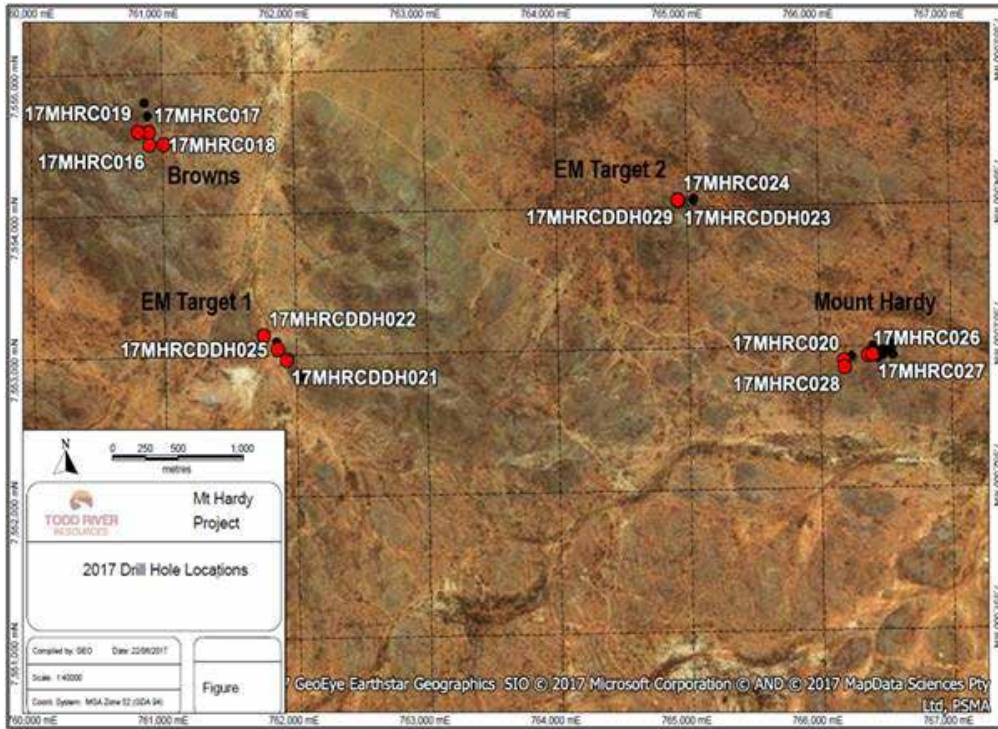


Figure 3. Drill-hole location diagram for 2017 Mount Hardy drilling.



Browns Prospect

Four RC holes were completed for 490m at the Browns Prospect (17MHRC016, 017, 018, and 019) and all 230 laboratory sample analyses have now been returned.

Results for holes 17MHRC016 and 17MHRC017 were reported in ASX Release – 23 May 2017. Full assay results for the Browns drilling were reported on the Company’s ASX announcement of 10 August 2017.

Significant results at Browns included:

- | | |
|-----------|---|
| 17MHRC016 | 2.0m @ 1.67% Zn, 0.28% Cu, 0.18% Pb from 88-90m |
| 17MHRC017 | 7.0m @ 1.77% Cu and 0.43% Zn, 280ppm Pb, 17.7g/t Ag from 67-74m
At a 0.1% cut-off this intersection was:
11.0m @ 1.19% Cu, 0.30% Zn, 0.12% Pb, 13.1g/t Ag from 63-74m |

These two holes are located south and north respectively of the single pre-existing drill hole on the IP anomaly at Browns.

REVIEW OF OPERATIONS

Hole 13MHDDH015 returned an intersection of **13.0m @ 1.17% Cu, 1.82% Zn and 0.46% Pb from 74-87m** while hole 17MHRC018 returned an intersection of **3.0m @ 1.49% Cu and 0.1% Zn from 127.0-130.0m**. At a 0.1% cut-off, this intersection was **6.0m @ 0.85% Cu from 126.0-132.0m**.

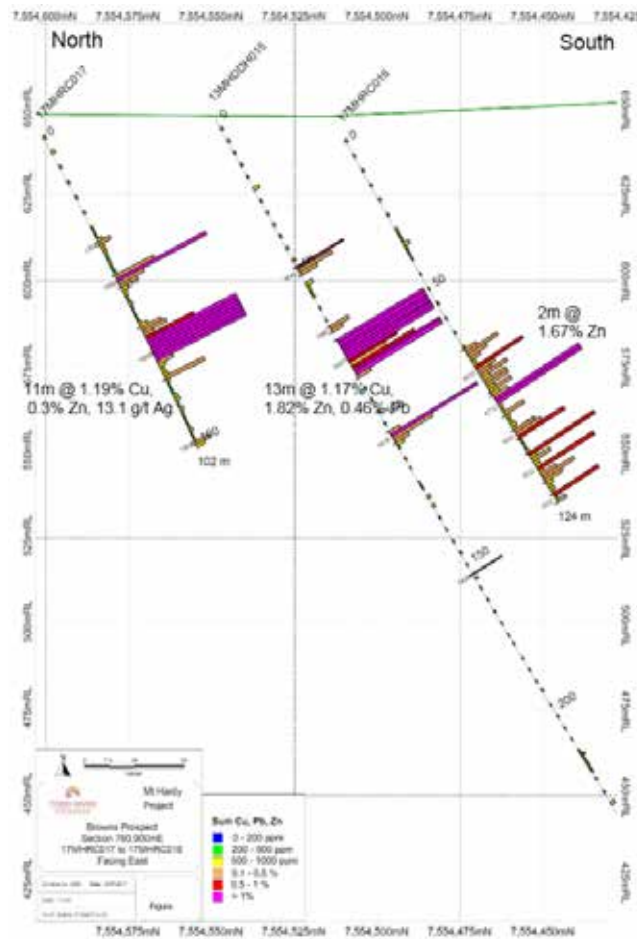
Hole 17MHRC019 did not return base metal results in excess of 0.1%, effectively closing off the mineralised system to the west.

While not at economic grades, the anomalous intercepts (>1,000ppm) returned to date from the Browns

Prospect (13 metres in 13MHDDH015, 25 metres in hole 17MHRC016, 9 metres in 17MHRC017 and 6 metres in 17MHRC018) do indicate broad zones of significant base metal bearing hydrothermally altered rocks. Together, these intersections define a shallow south-dipping mineralised structure (Figure 3) that persists for over 100m. It remains open both up-dip to the north and down-dip to the south and east.

All intervals are at less than 100m from surface and are contained within simple coarse sulphides (chalcopyrite, sphalerite and galena), hosted within siliceous schists of the Paleoproterozoic Lander Rock Formation.

Figure 4. N-S Cross Section (looking east) with 17MHRC015 to 17MHRC017 at the Browns Prospect, and showing the shallow south dipping mineralised sheet.



REVIEW OF OPERATIONS

EM Target 2

Three holes (17MHRCDDH023, 024, and 029) were completed at EM Target 2 for 794.5m (542.8m RC and 251.7m diamond). Initial design was for two holes with RC pre-collars and diamond tails, but the steeper and deeper RC pre-collar encountered significant bend and lift.

Despite designing for a degree of bend, the diamond tail could not achieve target and the pre-collar was abandoned. A re-drill hole (17MHRCDDH029) was designed allowing for more deflection and achieved target. Significant results included:

17MHRCDDH023	2.0m @ 0.13% Zn from 84.0 to 86.0m
	3.0m @ 0.34% Pb and 0.27% Zn from 113.0 to 116.0m
	5.2m @ 1.70% Zn, 0.81% Pb and 0.12% Cu from 209.6 to 214.8m

Individual assays include maximum values of: 6.93% Zn, 0.79% Cu and 2.24% Pb

17MHRC024	16.0m @ 0.31% Zn and 0.13% Pb from 109.0 to 125.0m
	2.0m @ 0.19% Zn and 0.10% Pb from 127.0-129.0m
17MHRCDDH029	9.0m @ 2.67% Zn, 0.97% Pb and 0.61% Cu from 135.0 to 144.0m
	10.5m @ 4.15% Zn, 1.10% Cu and 0.65% Pb from 178.0 to 188.5m

Individual assays include a maximum intersection value of: **1m @ 12.75% Zn, 3.30% Cu, and 3.43% Pb** from 180.0 to 181.0m, equating to **19.48% combined base metals**.

A full list of assay results from EM Target 2 was included in the Company's ASX Announcement of 10 August 2017.

The sulphide mineralisation intersected in holes 17MHRCDDH023 and 029 is dominated by sphalerite with lesser contributions from chalcopyrite and galena. The sulphide mineralisation occurs as semi-massive, vein in-fill and disseminated styles intimately associated with quartz veining and silica flooded zones.

Chlorite and sericite alteration within the quartz veining and of the host rocks is commonly associated with the mineralisation as an alteration product. The host quartz-mica schists, psammitic schists and psammitic gneisses of the Lander Formation are commonly locally silicified proximal to the mineralisation.

EM Target 1

Three holes with RC pre-collars and diamond tails were drilled at EM Target 1 for a total of 956.9 metres (566.4m RC and 390.5m diamond core). Holes 17MHRCDDH021, 022, and 025 returned anomalous results. Significant results (at a 0.1% cut-off) from these three holes include:

17MHRCDDH021 **9.0m @ 0.14% Zn**
from 162.5 to 171.5m

**14.1m @ 0.34% Zn, 0.29% Cu,
and 0.17% Pb** from 174.5 to
188.6m

Together, and including a 3m low-grade interval, the above intercepts from 17MHRCDDH021 generated: **26.1m @ 0.57%** combined base metals:

17MHRCDDH022 6.0m @ 0.09% Zn, 0.09% Pb
from 153.0 to 159.0m

17MHRCDDH025 5.5m @ 0.46% Zn, 0.22% Pb
and 0.14% Zn
from 253.5 to 259.0m

Overall, the mineralised zone is moderately to strongly silica-flooded and chlorite altered Lander Rock Formation schist, with much of the sulphide located within and marginal to thin (cm to dm) wide sheeted quartz veins. Veins were translucent grey quartz with sulphides often along the host-rock contacts. Fine to coarse grained chalcopyrite, galena and sphalerite were logged.

Figures 6 and 7 show the drill-hole traces at EM Target 1 with significant assay intervals annotated.

REVIEW OF OPERATIONS

The anomalous intervals in holes 17MHRCDDH021 and 17MHRCDDH025 correspond to the position of the modelled EM plate, and correlate with mineralisation outlined in previous drilling (see TNG ASX release 20 May 2013) – hole 13MHDDH010 intersected **21.0m @ 0.5% Cu, 4.4% Zn, 1.9% Pb and 36g/t Ag** from 213m down-hole.

Both thickness and grade drops off down-dip below holes 17MHRCDDH021 and 13MHDDH010, and no significant mineralisation, at the corresponding EM plate depth, was noted in hole 17MHRCDDH022.

Figure 5. *Diamond Drilling at EM Target #1, Mount Hardy.*



REVIEW OF OPERATIONS

Figure 6. EM Target 1 cross-section (looking NE). New 2017 holes plotted with assays.

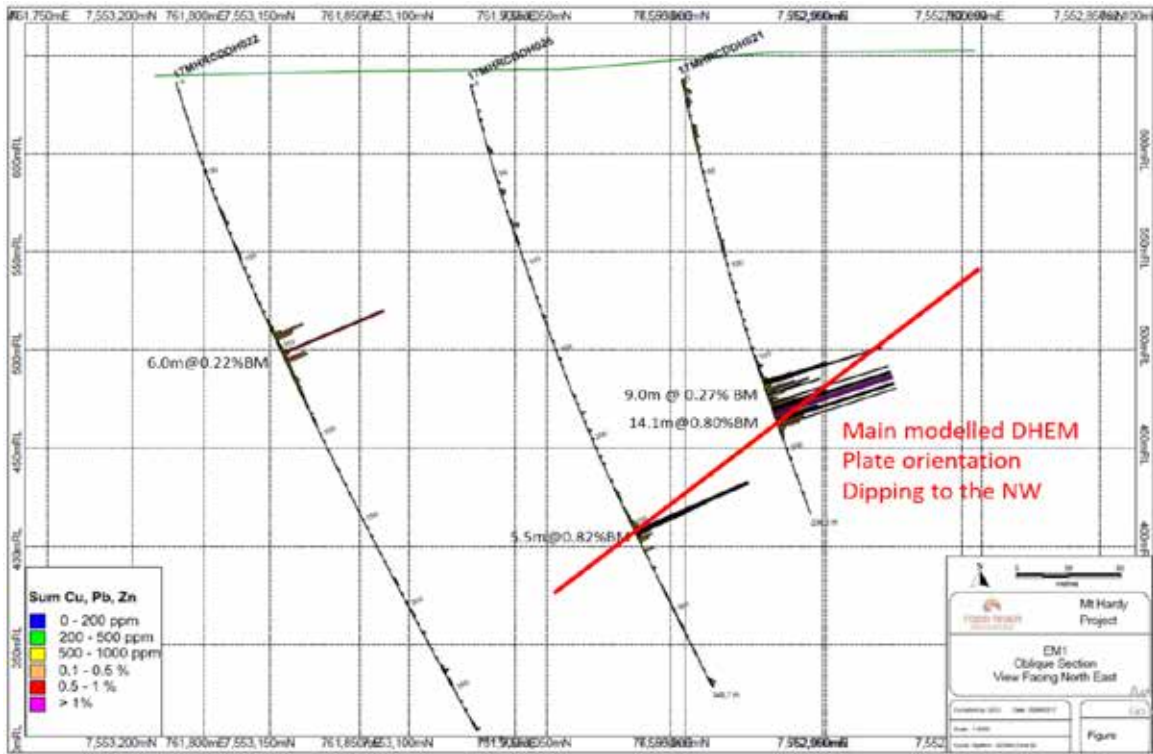
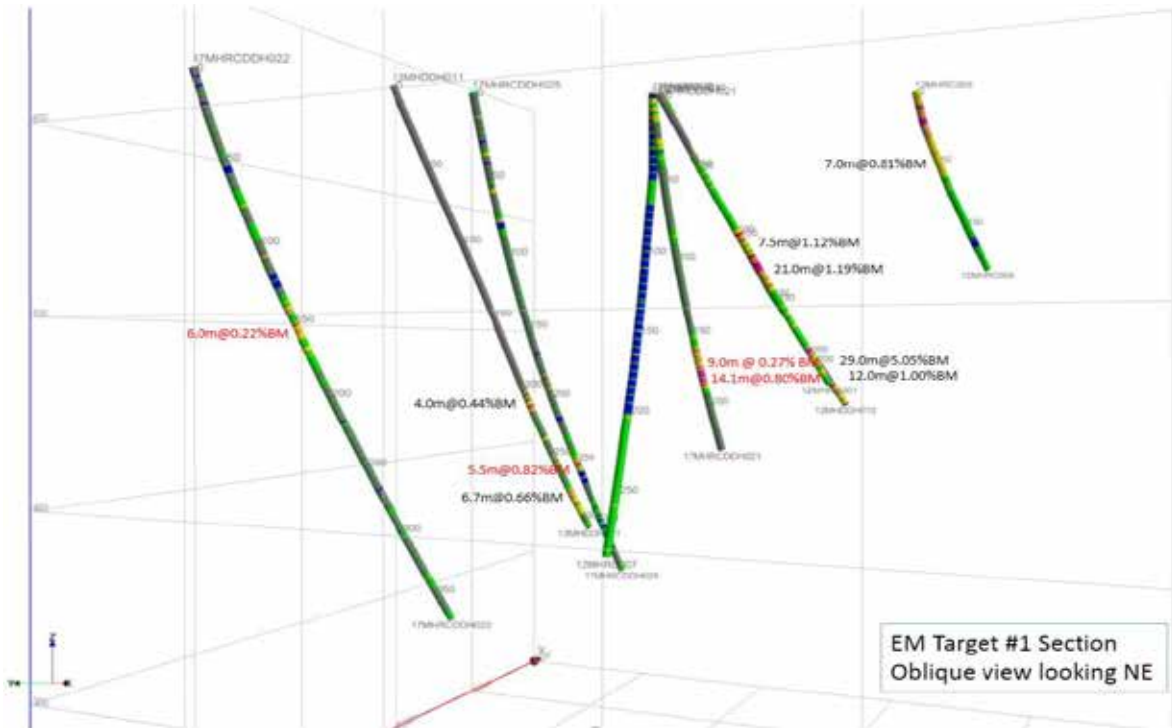


Figure 7. EM Target 1 oblique 3D view cross-section (looking NE). All drilled holes, new 2017 holes plotted with assays (red).



REVIEW OF OPERATIONS

Mount Hardy Prospect

Four RC holes were drilled at the Mount Hardy prospect (17MHRC020, 026, 027, and 028), for a total of 598 metres. Significant results included:

17MHRC020	1.0 m @ 0.12% Cu from 66.0-67.0m
	1.0 m @ 0.15% Cu from 84.0-85.0m
	2.0 m @ 0.19% Cu from 99.0-100.0m, and
	3.0m @ 0.35% Cu from 108.0-111.0m
17MHRC026	1.0m @ 0.16% Zn from 5.0-6.0m
	1.0m @ 0.12% Cu from 23.0-24.0m
	1.0m @ 0.14% Cu from 50.0-51.0m
	1.0m @ 0.24% Cu from 55.0-56.0m
	5.0m @ 0.66% Cu from 96.0-101.0m
	5.0m @ 0.14% Cu from 103.0-108.0m
	1.0m @ 0.14% Cu from 137.0-138.0m, and
17MHRC027	3.0m @ 1.98% Cu from 55.0-58.0m, and
	8.0m @ 0.53% Cu from 91.0-98.0m
17MHRC028	13.0m @ 0.35% Cu from 37.0-50.0m
	4.0m @ 0.1% Cu from 70.0-74.0m

The mineralisation at Mount Hardy is consistently dominated by copper, with <0.1% Pb and Zn values. Intersections at less than 40m depth are generally malachite, with coarse chalcopyrite seen in all fresh intersections. Chalcopyrite is intimately associated with quartz veining and sericite-chlorite alteration and silicification along structures, and is accompanied by minor pyrite.

All holes targeted the down-dip and down-plunge position of the mineralisation seen at surface and outlined by an Induced Polarisation (IP) geophysical survey.

Full assessment will be completed once the assay interpretation and interpretation of down-hole electromagnetic (DHEM) work has been finalised. This will be completed in August, for reporting in September.

EVENTS SUBSEQUENT TO THE END OF THE REPORTING PERIOD

WALABANBA PROJECT

Drilling commenced subsequent to the end of the reporting period on four geophysical targets within the Walabanba Project (see ASX Release 11 July 2017). All the four targets are strong conductor bodies modelled from fixed-loop ground EM surveys, but blind at surface (due to shallow transported cover). There has been no previous drilling in this area for EM conductor base metal targets.

Tenure at Walabanba was originally held by Toro Energy Limited, which was exploring for paleochannel uranium mineralisation. Prior to the demerger TNG joint ventured into the ground to explore for base metals and analogues of the V-Ti-Fe mineralisation outlined at Mount Peake, some 30km to the east. Base metal targeting was undertaken using geophysics, with HELITEM and ground-based Fixed Loop EM surveys completed (see TNG ASX Release – 21 July 2014).

At EM Target 1c, four discrete anomalies were outlined by a previous ground Fixed Loop EM (FLEM) survey (Figure 9) that are centred on the original HELITEM conductor with a coincident aeromagnetic high.

Anomalies A and B are located along the southern flank of a central ground polarisation (EM negative) zone, and have strong late-time responses. Anomaly C is a 500 Siemens south-dipping late-time plate, while Anomaly D is a circular mid-time feature. All anomalies will be tested by four holes.

FLEM interpretation covering the two adjacent but discrete EM conductor targets (5b and 5c) initially outlined from the HELITEM survey suggests that two moderately conductive bodies are present, with three holes planned to test the potential for base metal mineralisation. A single RC hole will test the mid-time anomaly at EM Target 1d.

REVIEW OF OPERATIONS

Figure 8. Location diagram for the Walabanba Project showing the HELITEM and FLEM data and the areas to be drilled through July 2017. The Anningie Tin Field location is also shown.

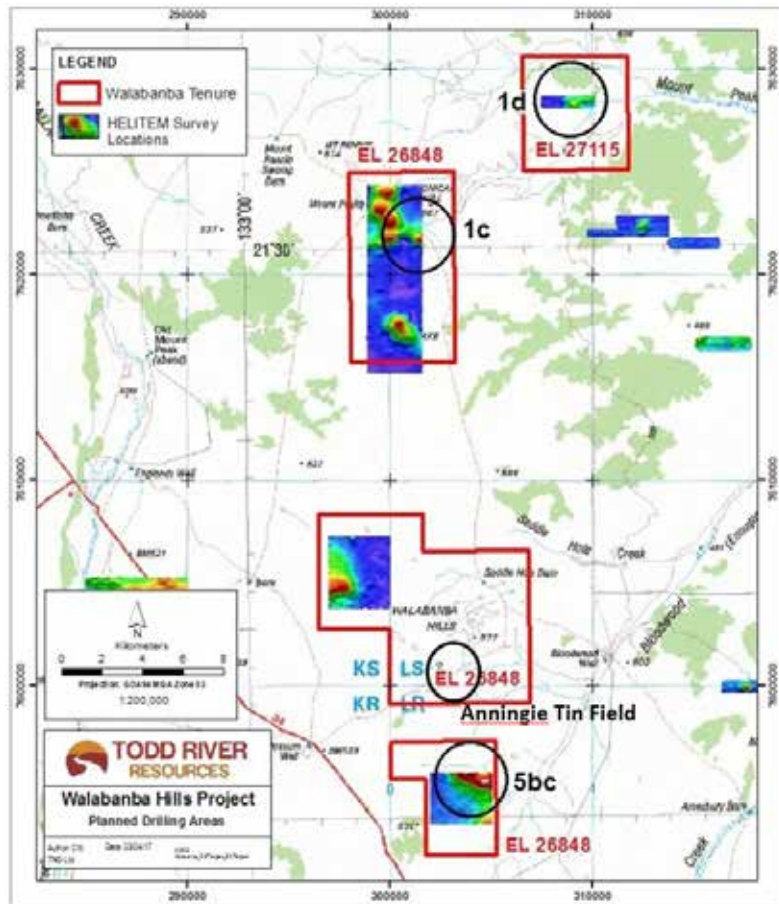


Figure 9 Walabanba Project EM Target 1c survey area and interpretation, showing four separate conductive anomalies (A, B, C, and D).

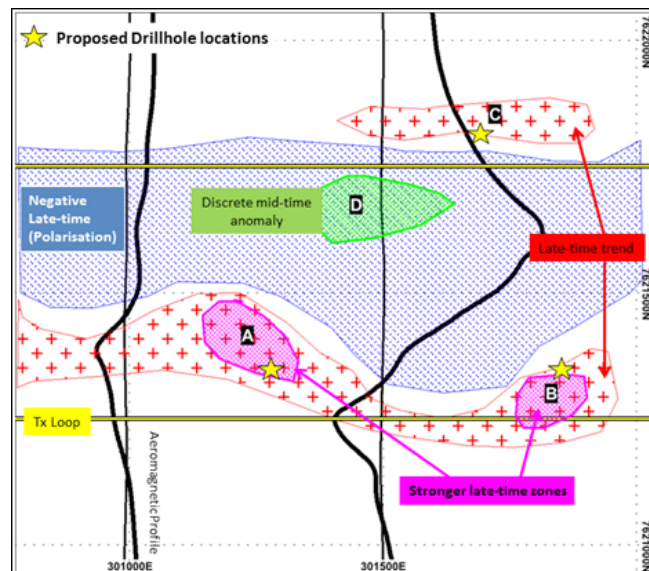
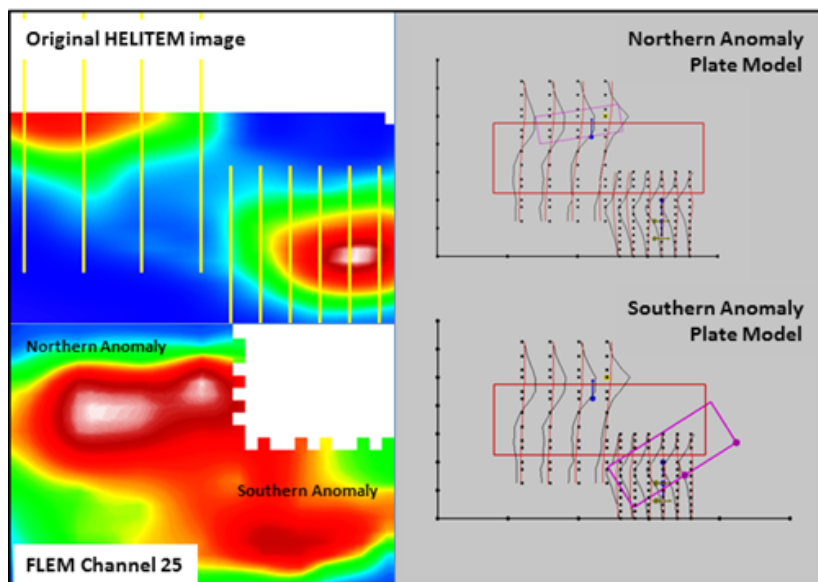


Figure 10 Composite of images from the Walabanba EM surveys at Target 5b/c.



ANNINGIE TIN FIELD – LITHIUM EXPLORATION

Geological mapping and sampling will also be conducted on the southern parts of the Anningie Tin Field in the September 2017 Quarter, which is considered to be highly prospective for pegmatite-hosted lithium (Sn-Ta) mineralisation. The entire Anningie Tin Field falls within Todd River's 100%-owned EL 26848 (Figure 8).

The Anningie Field was mined for alluvial tin and tantalum between 1935 and 1973 and produced around 35 tonnes of tin concentrate, making it the fifth largest producer in the Northern Territory. The tin field lies in the Walabanba Hills on Anningie Station, some 240km NNW of Alice Springs.

Historical mining was of both alluvial gully material and colluvial/elluvial (soil) material shedding off a number of pegmatite bodies. The main area of working and production was the Reward claim, with three other prospects named with some mining indicated. There are only minor diggings, to two metres depth, on the exposed pegmatite host rock, and likely negligible mining/production from the pegmatite.

The Anningie field has had no lithium-specific exploration conducted to date. Alluvial tin was discovered in 1935 by station workers and most production from the field was during the period to 1939 (70% of the total). Exploration during the late 1970s to early 1980s was aimed at proving up an alluvial tin resource and involved shallow (<2m) auger drilling and systematic front end-loader "scapes".

Sampling (three rock samples from Reward) by the Northern Territory Geological Survey (NTGS) in the early 2000s highlighted the potential of the field (see NTGS Report 16, 2005, K. M Frater). Based on the major and trace element chemistry the NTGS Reward samples clearly have the most favourable chemistry of all the northern Arunta region pegmatites.

Samples were mineralised with average values of 747ppm Li, 1438ppm Sn and 3185ppm Ta, while also having highly elevated caesium 703ppm Cs, rubidium 8250ppm Rb, and gallium 229ppm Ga. These samples indicated the Reward pegmatite host, on EL 26848, is of the LCT (Li-Cs-Ta) Type, which is the pegmatite classification type most prospective for economic Lithium (Sn-Ta) mineralisation.

REVIEW OF OPERATIONS

The only drilling conducted on the field was by the NTGS in 1973 at the Bismark Prospect about 1.5km south of Reward and within EL 26848. Five shallow diamond holes (for 130.2m) were drilled (see ASX Release 11 July 2017 for full details) to test the depth potential of the pegmatite, which had surface tin showings from rock and trench sampling.

Results were reported, in NTGS Technical Report 1974-007, including: **1.3m @ 0.525% Sn** in DDH2A from 1.37 to 2.67m depth, **0.77m @ 0.12% Sn** in DDH3 from 5.63 to 6.40m, and **0.69m @ 0.15% Sn** in DDH5 from 7.31 to 8.00m. Elements analysed were

Sn and Ta, with some intervals also analysed for Cu, Ni, and Co. No analyses were made for lithium.

Todd River has re-logged and re-sampled this core (stored in the NTGS Core Library in Alice Springs). This work is outlined in the Company's ASX Announcement dated 11 July 2017. Portable XRF analysis was used to characterise the pegmatite and screen samples for laboratory ICP analysis. Portable x ray fluorescence (pXRF) analysis of this core indicated the pegmatite was enriched in tin and tantalum over the intervals indicated in Table 1 below.

Table 1. Significant portable XRF results from 1974 NTGS Bismark drilling.

Drill Hole	Interval with >100ppm Ta and >50ppm Sn			Maximum Values		Comment
	From (metres)	To (metres)	Interval	Sn	Ta	
DDH1						No pegmatite logged
DDH2A	0.00	2.25	2.25	350	181	
DDH3	2.00	6.25	4.25	167	195	
DDH4						No significant mineralisation
DDH5	0.00	7.50	7.50	794	615	

Cautionary Statement: All chemical analyses results quoted in Table 1 are from a portable XRF analyser. As such they may not be representative of the whole sample, nor should they be seen as a suitable substitute for laboratory based chemical analysis.

Laboratory analysis of selected intervals of this core returned results shown in Appendix One in the Company's ASX Announcement dated 11 July 2017 while all results for the elements discussed below are reported.

The **highest lithium result was 470ppm Li (0.10% Li₂O)**. Tin results were anomalous with a maximum

value of 122ppm Sn noted from Hole DDH5. In addition, significant caesium was noted, with Hole DDH3 having **11.0m @ 459ppm Cs** from surface and Hole DDH5 having **4m @ 595ppm Cs** from 5m. Rubidium, another element enriched in some pegmatite had a maximum value of 2770ppm coincident with the highest tin, caesium (933ppm Cs) and lithium value.

Table 2. Significant laboratory ICP results from Bismark drilling.

Drill Hole	Interval with >50ppm Ta			Average	Maximum
	From (metres)	To (metres)	Interval	Ta	Li (ppm)
DDH1					193
DDH2A	0.00	3.00	3.00	208	215
DDH3	5.00	7.00	2.00	64	297
DDH4					156
DDH5	0.00	5.00	5.00	89	470

These results, while not of economic grades, do indicate **the pegmatite at Bismark is also of the LCT type, and has potential to host lithium-related mineralisation**. The 1973 NTGS drilling only covers a strike length of 120 metres on a pegmatite that is mapped over 260 metres, and so there is further scope within the Bismark area for Li-Sn-Ta mineralisation. This will be explored over the coming weeks.

ROVER PROJECT

Subsequent to the end of the reporting period, Todd River secured 100% ownership of the Rover Project in the central Northern Territory, opening up an exciting new exploration opportunity for the Company in a well-established mineral district with proven potential for Tennant Creek-style copper-gold mineralisation.

The Rover Project (EL 25581, ELA 25582 and ELA 25587) was part of a joint venture between TNG Limited and WDR Base Metals Pty Ltd (Base Metals), which acquired 80% of the project in July 2014. Soon after, WDR's parent company, Western Desert Resources, went into voluntary administration and since then TNG Limited and subsequently Todd River Metals Pty Ltd (a wholly-owned subsidiary of Todd River Resources) have sought to secure the full holding.

The Rover Project's EL 25581 is located in the Tennant Creek area, less than 1km, and along-trend from Westgold Resources' Rover 1 Project. It is a significant gold exploration project with numerous untested magnetic anomalies. Drilling by the previous operator, Metals X, at the Rover 1 project in 2015 has reinforced the significant prospectivity of this region for high-grade, Tennant Creek-style Copper-Gold mineralisation, including a spectacular intersection of 20.87m at 14.5g/t Au and 6.0% Cu (see MLX ASX Release 9 January 2015).

EL 25581 is also proximal to Westgold's Explorer 108, 142 and Curiosity base metal prospects and Andromeda Metals' (previously Adelaide Resources) Rover 4 copper-gold deposit, which Emmerson Resources has recently farmed into (see ADN ASX Release 15 November 2016).

The Rover Project is located along the poorly exposed southern margin of the Tennant Creek Block, which contains the historical Tennant Creek Goldfield and remains one of the most prospective gold-copper provinces in the Northern Territory. The project area is considered to be prospective for IOCG/Tennant Creek-style gold, copper and bismuth mineralisation under shallow Wiso Basin sedimentary cover.

Todd River will immediately commence a review of the geophysical targets and previous drilling results to assess the best exploration approach. It is likely that modern geophysical techniques will be used to refine suitable targets for drilling in FY2018.

McARTHUR RIVER PROJECT

Subsequent to the end of the reporting period, the Company announced that it had secured leading geophysical survey company SkyTEM to complete an airborne electromagnetic (AEM) survey over the 100%-owned McArthur River Project.

SkyTEM has been selected to complete the survey, as its state-of-the-art dual-moment transient electromagnetic system is well suited to identifying conductor bodies that relate to base metal mineralisation at depths to 300m.

The SkyTEM set-up includes a helicopter-borne 16x28m loop and is flown at 35-60 metre terrain clearance. A current is passed through the loop, and then when turned off, the induced current in the ground is measured.

Todd River's McArthur River tenement package is located in the prospective Batten Fault Zone (BFZ). This area hosts the world class McArthur River Mine (MRM), operated by Swiss company Glencore, and the recent Teena discovery (owned by Canadian diversified mining company Teck Resources).

The survey will test for potential conductor horizons within the prospective sequence around the Mallapunyah Dome, within ELs 27711 and 30085. The area has not had modern geophysical surveys conducted over it, with the last detailed geophysical survey completed 50 years ago (outlined in TNG ASX Release 16 September 2013). This historical induced polarisation (IP) survey outlined several conductor bodies, which have not been followed up.

The McArthur River tenement package straddles the western margin of the BFZ being traversed by two major terrane-bounding structures, the Mallapunyah and Tawallah Faults. On the eastern side of the BFZ, the Emu/Western and Jabiru Faults have syn-sedimentary movement and provide mineralising-fluid pathways at MRM and Teena. Orebodies of this SEDEX/McArthur River type are usually found within one kilometre of these structures.

The survey and processing was completed in August and interpretation has commenced, with the aim of outlining conductor targets related to base metal mineralisation for drill testing.

The Directors present their report together with the financial report of Todd River Resources Limited and of the Group, being the Company and subsidiary for the financial year ended 30 June 2017 and the auditor's report thereon.

DIRECTORS

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

*Mr Paul Burton, B.Sc (Hons) Geology (UK), M.Sc Mineral Exploration (Canada), MAusImm, FAEG, MAICD
Technical Director*

Mr Burton is a highly experienced Exploration Geologist/Geochemist with over 25 years' experience in Exploration and Mining and is the Technical Director of Todd River Resources Ltd. He is also the Managing Director of TNG Ltd.

Mr Burton is experienced in running successful exploration programs for a variety of commodities. He has held consulting and senior management roles with major exploration companies.

Prior to his appointment to the Todd River Resources Board, Mr Burton was the Managing Director of TNG Ltd (an Australian resource company focused on the exploration, evaluation and development of a multi-commodity resource portfolio in the Northern Territory and Western Australia) and has been instrumental in establishing the Todd River Resources' NT Base Metal assets and had significant involvement in their initial exploration.

He holds an Honours degree in Geology, an MSc in Mineral Exploration and is a graduate of the Australian Institute of Company Directors, a fellow of the Association of Applied Exploration Geochemists, and member of both the Australian and Canadian Institutes of Mining and Metallurgy.

*Geoffrey Crow
Independent Non-Executive Director*

Mr Crow has more than 28 years' experience in all aspects of corporate finance, stockbroking and investor relations in Australia and international markets and has owned and operated his own businesses in these areas for the last sixteen years. Mr Crow is a Non-Executive Director of Todd River Resources Ltd. He is also a Non-Executive Director of TNG Ltd.

DIRECTORS (CONTINUED)

*Rex Turkington, BCom(Hons), BCA, GAICD, AAFSI, ADA1(ASX)
Independent Non-Executive Director*

Mr Turkington is a highly experienced corporate advisor and economist who has worked extensively in financial services in Australia, specializing in the exploration and mining sectors. He has extensive experience with equities, derivatives, foreign exchange and commodities and has participated in numerous corporate initial public offerings and capital raisings for listed exploration and mining companies.

Mr Turkington is currently a Director of an Australian corporate advisory company, offering corporate finance and investor relations advice to listed companies. He holds a first class Honours Degree in economics, is a graduate of the Australian Institute of Company Directors and is an Associate of the Securities Institute of Australia. Mr Turkington is a Non-Executive Director of Todd River Resources Ltd. He is also a Non-Executive Director of TNG Ltd.

*Edward Fry
Independent Non-Executive Director*

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

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

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

Mr Fry is the Chairman of Indigenous Business Australia, Chair of the Indigenous Land Corporation, Chair of the Indigenous Advisory Board at Transfield Services Australia (since 2010), a Deputy Chair of the Aboriginal Foundation of South Australia Inc (since 2007) and is an advisory member of the development team for the TNG Ltd world-class ferro/vanadium Mount Peake project in the Northern Territory.

*Simon Robertson, B.Bus, CA, M Appl. Fin.
Company Secretary*

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

DIRECTORS MEETINGS

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

Director	Number of board meetings held during the time the Director held office	Number of board meetings attended	Number of audit committee meetings held during the time the Director held office	Number of audit committee meetings attended	Number of remuneration committee meetings held	Number of remuneration committee meetings attended
Paul Burton	5	5	-	-	-	-
Geoffrey Crow	5	5	-	-	-	-
Rex Turkington	5	5	-	-	-	-
Edward Fry	5	2	-	-	-	-

PRINCIPAL ACTIVITIES

The principal activities of the Group during the course of the financial year were the exploration and evaluation of its Mount Hardy project; the reviews of projects for

potential acquisition; the management of its other exploration properties and management of its interest such as in the Manbarrum Project.

REVIEW AND RESULTS OF OPERATIONS

The operating loss of the Group after income tax for the year was \$1,740,660 (2016: loss \$34,997). The group had cash costs of \$774,994 on Exploration and Evaluation expenditure and had a 30 June 2017 closing cash balance of \$4,156,427. A review of the operations during the financial year is set out on pages 2 to 14.

The 2017 Financial Year saw the successful completion of Todd River Resources Limited's (ASX: TRT) on 6 April 2017. Initial Public Offering (IPO) and listing on the Australian Securities Exchange (ASX). The IPO was fully subscribed, raising the maximum subscription amount of \$6 million.

Todd River's asset portfolio was formed through the demerger of a series of base metals assets in the Northern Territory held by ASX-listed TNG Ltd (ASX: TNG).

Material Business Risks

The material business risks faced by the Group that are likely to have an effect on the financial prospects of the Group, and how the Group manages these risks, are:

- ▶ Future Capital needs – the Group does not currently generate cash from its operations. The Group will require further funding in order to meet its corporate expenses and continue its exploration activities at its Northern Territory tenements.
- ▶ Exploration and Development Risks – whilst the Group has already discovered mineral deposits at its other Northern Territory projects there is a risk that the Group's mineral deposits may not be economically viable. The Group employs geologists and other technical specialists, and engages external consultants where appropriate to address this risk.
- ▶ Commodity Price and Exchange Rate Risks – as a Group which is focused on the development of its Zinc-Lead-Silver-Copper projects the Group is exposed to movements in these commodity prices, which are quoted in foreign currency. The Group monitors historical and forecast pricing for these commodities from a range of sources in order to inform its planning and decision making.

DIVIDENDS

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

REMUNERATION REPORT - AUDITED

1. Principles of Remuneration

This report details the amount and nature of remuneration of each director of the Company and the executives.

Key management personnel (KMP) have authority and responsibility for planning, directing and controlling the activities of the Group, including directors of the company and other executives. Key management personnel comprise the directors of the Company and senior executives for the Group.

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

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

The Board policy is to remunerate Directors and senior executives at market rates for comparable companies for time, commitment and responsibilities. The full Board on advisement from the Remuneration Committee determines payments to the non-executive Directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of Directors fees is subject to approval by shareholders at a General Meeting. Fees for non-executive Directors are not linked to the performance of the entity. However, to align Directors' interests with shareholder interests, the Directors are encouraged to hold shares in the Company and may receive options if approved by shareholders.

Fixed Remuneration

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

Performance linked compensation

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

Short-term incentive bonus

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

Options

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

REMUNERATION REPORT – AUDITED (CONTINUED)

Non-executive directors

Non-executive directors receive fixed remuneration being a flat per month director's fee and variable remuneration being long term incentives that may be issued from time to time.

Directors and executives may also receive either a salary plus superannuation guarantee contributions as required by law, currently set at 9.50% (2016 9.50%), or provide their services via a consultancy arrangement. Directors and executives do not receive any retirement benefits except as stated. Individuals may, however, choose to sacrifice part of their salary to increase payments towards superannuation.

Service Contracts

Paul Burton – Technical Director

- Term of Agreement – appointment commenced 24th June 2014. Remuneration to commence from ASX listing date 6th April 2017 until terminated by either party.
- Directors Fees - \$75,000 per annum excluding super plus any expense incurred.
- Additional monies are paid to 1664 Pty Ltd, a related entity of Mr Burtons, for consulting services and are included in salary and fees. During the year \$50,000 was paid to 1664 Pty Ltd for consulting services.
- Early termination not applicable

Geoffrey Crow – Non-Executive Director

- Term of Agreement - 6th April 2017 until terminated by either party.
- Directors Fees - \$60,000 per annum excluding super plus any expense incurred.
- Additional monies are paid to Salaris Consulting Pty Ltd, a related entity of Mr Crows, for consulting services and are included in salary and fees.
- Early termination not applicable.

Rex Turkington – Non-Executive Director

- Term of Agreement – 6th April 2017 until terminated by either party.
- Directors Fees - \$60,000 per annum excluding super plus any expense incurred.
- Additional monies are paid to Katarina Corporation Pty Ltd, a related entity of Mr Turkington, for consulting services and are included in salary and fees. During the year \$20,400 was paid to Katarina Corporation Pty Ltd for consulting services.
- Early termination not applicable.

Edward Fry – Non-Executive Director and Chairman of the Board

- Term of Agreement – 6th April 2017 until terminated by either party.
- Directors Fees - \$80,000 per annum excluding super plus any expense incurred.
- Additional monies are paid to Gimbulki Resources Pty Ltd, a related entity of Mr Fry, for consulting services and are included in salary and fees. During the year \$4,500 was paid to Gimbulki Resources Pty Ltd for consulting services.
- Early termination not applicable.

Simon Robertson – Company Secretary

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

REMUNERATION REPORT – AUDITED (CONTINUED)

2. Directors and Executives officers' remuneration

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

Directors Remuneration for the year ended 30 June 2017

Consolidated	Directors		Short Term		Post-Employment	Long Term		Proportion of remuneration performance related
			Salary & Fees ¹	Bonus	Super-annuation	Share-based Payment - Shares/Options	Total	
			\$	\$	\$	\$	\$	
	Paul Burton ² <i>Technical Director</i>	2017	18,750	50,000	-	436,000	504,750	96%
		2016	-	-	-	-	-	-
	Geoffrey Crow <i>Non-executive</i>	2017	15,000	-	-	218,000	233,000	94%
		2016	-	-	-	-	-	-
	Rex Turkington <i>Non-executive</i>	2017	35,400	-	-	218,000	253,400	86%
		2016	-	-	-	-	-	-
	Edward Fry ³ <i>Non-executive</i>	2017	24,500	-	-	218,000	242,500	90%
		2016	-	-	-	-	-	-
	Total	2017	93,650	50,000	-	1,090,000	1,233,650	92%
		2016	-	-	-	-	-	-

¹ Includes consulting fees.

² Bonus for services provided and successful listing of Todd River Resources Limited.

³ Appointed 4 April 2017.

Remuneration of key management personnel for the year ended 30 June 2017

Consolidated	Directors		Short Term		Post-Employment	Long Term		Proportion of remuneration performance related
			Salary & Fees	Bonus	Super-annuation	Share-based Payment - Shares/Options	Total	
			\$	\$	\$	\$	\$	
	Simon Robertson <i>Company Secretary</i>	2017	47,142	-	207	163,500	210,849	78%
		2016	-	-	-	-	-	-
	Total	2017	47,142	-	207	163,500	210,849	78%
		2016	-	-	-	-	-	-

REMUNERATION REPORT – AUDITED (CONTINUED)

3. Shares and options granted as part of remuneration

- a) No shares were granted as compensation to each key management person during the reporting period.**
- b) Options issued under Todd River Resources Ltd Non-Executive and Consultant Option Plan.**

15,000,000 options were issued subject to the terms of the Todd River Resources Ltd Non-Executive and Consultant option Plan as set out in the prospectus dated 31 January 2017 and a supplementary prospectus dated 10 February 2017 and included 11,500,000 non-listed options to key management personnel and 3,500,000 listed options to consultants.

These options have no vesting conditions and are exercisable immediately from grant date. The options were issued to key management personnel as a result of the company successfully raising the minimum subscription on completion of the IPO.

4. Exercise of options granted as compensation

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

5. Analysis of options over equity instruments granted as compensation

Details on options over ordinary shares in the Company that were granted as compensation to each key management person during the reporting period and details on options that vested during the period are as follows:

Key Management Personnel	Number of options granted during 2017	Grant date	Fair value per option at grant date (\$)	Exercise price per option	Expiry date	Number of options exercisable as at 30 June 2017
Paul Burton	4,000,000	22 Mar 2017	0.109	0.300	22 Mar 2020	4,000,000
Geoffrey Crow	2,000,000	22 Mar 2017	0.109	0.300	22 Mar 2020	2,000,000
Rex Turkington	2,000,000	22 Mar 2017	0.109	0.300	22 Mar 2020	2,000,000
Edward Fry	2,000,000	22 Mar 2017	0.109	0.300	22 Mar 2020	2,000,000
Simon Robertson	1,500,000	22 Mar 2017	0.109	0.300	22 Mar 2020	1,500,000

No options have been granted since the end of the financial year.

REMUNERATION REPORT – AUDITED (CONTINUED)

6. Analysis of movements in options

The movement during the reporting period, by value options over ordinary shares in the Company held by each key management person are detailed below.

Key Management Personnel	Granted in year \$ (A)	Value of options exercised in year \$
Paul Burton	436,000	-
Geoffrey Crow	218,000	-
Rex Turkington	218,000	-
Edward Fry	218,000	-
Simon Robertson	164,000	-

(A) The value of share rights or options granted in the year is the fair value of the options calculated at grant date using the Black-Scholes options-pricing model. The total value of the options granted is included in the table above.

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

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

8. Options over equity instruments

Key Management Personnel	Held at 1 July 2016	Unlisted options granted as remuneration	Listed options acquired as part of IPO offer	Expired	Exercised	Held at 30 June 2017	Vested and exercisable at 30 June 2017
Paul Burton	-	4,000,000	-	-	-	4,000,000	4,000,000
Geoffrey Crow	-	2,000,000	-	-	-	2,000,000	2,000,000
Rex Turkington	-	2,000,000	50,000 ¹	-	-	2,050,000	2,050,000
Edward Fry	-	2,000,000	-	-	-	2,000,000	2,000,000
Simon Robertson	-	1,500,000	-	-	-	1,500,000	1,500,000

¹ Every person participating in the IPO received 1 free listed option for every 2 shares purchased. The grant date was 22 March 2017 and the options vested immediately. The options have an exercise price of \$0.25 and expire on 22 March 2020. None of the options were exercised as at 30 June 2017.

REMUNERATION REPORT – AUDITED (CONTINUED)

9. Movements in shares

Directors	Held at 1 July 2016	Purchases	Received on exercise of options	Sales	Other	Held at 30 June 2017
Paul Burton	-	463,730	-	-	-	463,730
Geoffrey Crow	-	246,212	-	-	-	246,212
Rex Turkington	-	373,179	-	-	-	373,179
Edward Fry	-	34,804	-	-	-	34,804
Simon Robertson	-	78,527	-	-	-	78,527

The audited remuneration report ends here.

DIRECTORS' INTERESTS

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

Directors	Ordinary Shares	Options over Ordinary Shares
Paul Burton	463,730	4,000,000
Geoffrey Crow	246,212	2,000,000
Rex Turkington	378,400	2,050,000
Edward Fry	34,804	2,000,000

Options granted to directors and officers of the company

During or since the end of the financial year the company did not grant any options to Directors or executives other than those set out at section 5 of the Remuneration Report.

LIKELY DEVELOPMENTS

The Group will continue to develop its Northern Territory exploration portfolio.

Additional comments on likely developments of the Group are included under the review of operations and activities.

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

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

ENVIRONMENTAL REGULATIONS

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

INSURANCE PREMIUMS

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

The Company has paid premiums to insure each of the directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director of the Company, other than conduct involving a wilful breach of duty in relation to the Company. The amount of the premium was \$15,607 exclusive of GST.

EVENTS SUBSEQUENT TO REPORTING DATE

No material events were recorded subsequent to the balance date.

ROUNDING

The Group is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 dated 1 April 2016 and in accordance with that class order, amounts in the consolidated statements and directors' report have been rounded off to the nearest thousand dollars, unless otherwise stated.

NON AUDIT SERVICES

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

AUDITOR INDEPENDENCE DECLARATION

The auditor's independence declaration is included on page 23 of the financial report and forms part of the Directors' report for the financial year ended 30 June 2017.

Signed in accordance with a resolution of the Directors.



Paul Burton
Technical Director

29 September 2017



Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Todd River Resources Limited

I declare that, to the best of my knowledge and belief, in relation to the audit of Todd River Resources Limited for the financial year ended 30 June 2017 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

KPMG

Jane Bailey

Jane Bailey
Partner

Perth
29 September 2017

KPMG, an Australian partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

Liability limited by a scheme approved under Professional Standards Legislation.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2017

	Note	2017 \$'000	2016 \$'000
Other income		-	-
Total income		-	-
Corporate and administration expenses	6(b)	(412)	(35)
Employment expenses	6(c)	(1,347)	-
Results from operating activities		(1,759)	(35)
Financial income	6(a)	18	-
Financial expenses	6(a)	-	-
Net financing income		(1,741)	(35)
Loss before income tax		(1,741)	(35)
Income tax expense	8	-	-
Loss for the year attributable to the owners of the Company		(1,741)	(35)
Other comprehensive income			
Tax effect on other comprehensive income		-	-
Other comprehensive income net of tax		-	-
Total comprehensive loss for the year attributable to the owners of the company		(1,741)	(35)
Loss per share (cents per share)			
Basic loss per share (cents)	9	(11.5)	(35,000)
Diluted loss per share (cents)	9	(11.5)	(35,000)

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2017

	Note	2017 \$'000	2016 \$'000
Current assets			
Cash and cash equivalents	11	4,156	-
Trade and other receivables	12	163	-
Prepayments		1	-
Total current assets		4,320	-
Non-current assets			
Exploration and evaluation expenditure	13	8,052	-
Total non-current assets		8,052	-
Total assets		12,372	-
Current liabilities			
Trade and other payables	14	(444)	(217)
Total current liabilities		(444)	(217)
Total liabilities		(444)	(217)
Net assets		11,928	(217)
Equity			
Issued capital	15	12,031	-
Reserves		195	-
Accumulated losses		(298)	(217)
Total equity		11,928	(217)

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2017

	Note	2017 \$'000	2016 ⁽ⁱ⁾ \$'000
Cash flows from operating activities			
Cash payments in the course of operations		(497)	-
Interest received		18	-
Net cash used in operating activities	19	(479)	-
Cash flows from investing activities			
Payments for exploration and evaluation expenditure		(775)	-
Security deposits refunded/(paid)		(27)	-
Net cash used in investing activities		(802)	-
Cash flows from financing activities			
Proceeds from issue of shares and exercise of options	15(a)	6,000	-
Share issue costs	15(a)	(563)	-
Net cash received from financing activities		5,437	-
Net increase/(decrease) in cash and cash equivalents		4,156	-
Cash at the beginning of the financial year		-	-
Cash and cash equivalents at the end of the financial year	11	4,156	-

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

ⁱ⁾ No cash balances or cash movements for the year ended 30 June 2016.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2017

	Issued Capital \$'000	Accumulated loss \$'000	Reserves \$'000	Total Equity \$'000
At 1 July 2015	-	(182)	-	(182)
Loss for the year	-	(35)	-	(35)
Total comprehensive loss	-	(35)	-	(35)
Transactions with owners recorded directly in equity				
At 30 June 2016	-	(217)	-	(217)
At 1 July 2016	-	(217)	-	(217)
Loss for the year	-	(1,741)	-	(1,741)
Total comprehensive loss	-	(1,741)	-	(1,741)
Transactions with owners recorded directly in equity				
Share placement	6,000	-	-	6,000
Share issue costs	(969)	-	-	(969)
Share based payments expense	-	1,660	-	1,660
Share placement TNG Ltd	7,000	-	-	7,000
Additional capital contribution by owners/shareholders (Note 21(a))	-	-	195	195
At 30 June 2017	12,031	(298)	195	11,928

The amounts recognised directly in equity are disclosed net of tax.

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

NOTES TO THE FINANCIAL STATEMENTS

1 REPORTING ENTITY

Todd River Resources Limited (the 'Company') is a company domiciled in Australia. The address of the Company's registered office is Level 1, 282 Rokeby Road Subiaco, Western Australia 6008. The consolidated financial report of the Company as at and for the year ended 30 June 2017 comprises the Company and its subsidiary (together referred to as the 'Group'). The Group is a for profit entity and primarily is involved in the exploration of minerals within Australia.

2 BASIS OF PREPARATION

(a) Statement of compliance

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

(b) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for share based payments which are measured at fair value.

The methods used to measure fair values are discussed further in Note 4.

(c) Functional and presentation currency

These consolidated financial statements are presented in Australian dollars, which is the Company's functional currency and the functional currency of all entities in the Group. The Group is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 dated 1 April 2016 and in accordance with that class order, amounts in the consolidated statements and directors' report have been rounded off to the nearest thousand dollars (\$000), unless otherwise stated.

(d) Use of estimates and judgements

Set out below is information about:

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

Critical Judgements

Estimates and assumptions

i. Exploration and evaluation assets

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

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

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

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

2 BASIS OF PREPARATION (CONTINUED)

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

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

ii. Share based payments

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

(e) Going Concern

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

Whilst not immediately required, the Group may need to raise additional funds to meet its ongoing obligations and subject to the results of its ongoing exploration activities, expand or accelerate its work programs.

3 SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of consolidation

(i) Subsidiaries

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

(ii) Transactions eliminated on consolidation

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

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

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

(b) Income tax

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

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Current tax

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

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for:

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

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

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

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

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

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

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

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

Tax consolidation

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

NOTES TO THE FINANCIAL STATEMENTS

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

(c) Goods and services tax

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

(d) Foreign currency translation

Transactions in foreign currencies are translated to the functional currency of the Group at the foreign exchange rate ruling at the date of the

transaction. Monetary assets and liabilities denominated in foreign currencies at the statement of financial position date are translated to Australian dollars at the foreign exchange rate ruling at that date.

Foreign exchange differences arising on translation are recognised in the profit and loss. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to Australian dollars at foreign exchange rates ruling at the dates the fair value was determined.

(e) Financial instruments

(i) Non-derivative financial instruments

Non-derivative financial instruments comprise investments in trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs, except as described below. Subsequent to initial recognition, non-derivative financial instruments are measured as described below.

A financial instrument is recognised if the Group becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Group's contractual rights to the cash flows from the financial assets expire or if the Group transfers the financial assets to another party without retaining control or substantially all risks and rewards of the asset. Regular way purchases and sales of financial assets are accounted for at trade dates, i.e. the date that the Group commits itself to purchase or sell the asset. Financial liabilities are derecognised if the Group's obligations specified in the contract expire or are discharged or cancelled.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and cash equivalents comprise cash balances and call deposits.

Accounting for finance income and expense is discussed in note 3(j).

Loans and borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received net of issue costs associated with the borrowing.

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Amortised cost is calculated by taking into account any issue costs, and any discount or premium on settlement.

Gains and losses are recognised in the income statement when the liabilities are derecognised as well as through the effective interest method.

Other

Other non-derivative financial instruments are measured at amortised cost using the effective interest method, less any impairment loss.

(ii) Share capital

Ordinary shares

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

(f) Exploration and Evaluation assets

Exploration for and evaluation of mineral resources is the search for mineral resources after the entity has obtained legal rights to explore in a specific area, as well as the determination of the technical feasibility and commercial viability of extracting the mineral resource.

Accordingly, exploration and evaluation expenditure are those expenditures by the Group in connection with the exploration for and evaluation of minerals resources before the technical feasibility and commercial viability of extracting a mineral resources are demonstrable.

Accounting for exploration and evaluation expenditures is assessed separately for each 'area of interest'. An 'area of interest' is an individual geological area which is considered to constitute a favourable environment for the presence of a mineral deposit or has been proved to contain such a deposit.

Expenditure incurred on activities that precede exploration and evaluation of mineral resources, including all expenditure incurred prior to securing legal rights to explore an area, is expensed as incurred. For each area of interest the expenditure is recognised as an exploration and evaluation asset where the following conditions are satisfied:

- a) The rights to tenure of the area of interest are current; and
- b) At least one of the following conditions is also met:
 - (i) The expenditure is expected to be recouped through successful development and commercial exploitation of an area of interest, or alternatively by its sale; or
 - (ii) Exploration and evaluation activities in the area of interest have not, at 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. Economically recoverable reserves are the estimated quantity of product in an area of interest that can be expected to be profitably extracted, processed and sold under current and foreseeable conditions.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Exploration and evaluation assets include:

- ▼ Acquisition of rights to explore;
- ▼ Topographical, geological, geochemical and geophysical studies;
- ▼ Exploratory drilling, trenching, and sampling; and
- ▼ Activities in relation to evaluating the technical feasibility and commercial viability of extracting the mineral resource.

General and administrative costs are allocated to, and included in, the cost of exploration and evaluation assets only to the extent that those costs can be related directly to the operational activities in the area of interest to which the exploration and evaluation assets relate. In all other instances, costs are expensed as incurred.

Exploration and evaluation assets are transferred to Development Assets once technical feasibility and commercial viability of an area of interest is demonstrable. Exploration and evaluation assets are assessed for impairment, and any impairment loss is recognised, prior to being reclassified.

The carrying amount of the exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective area of interest.

Impairment testing of exploration and evaluation assets

Exploration and evaluation assets are assessed for impairment if sufficient data exists to determine technical feasibility and commercial viability or facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

Exploration and evaluation assets are tested for impairment when any of the following facts and circumstances exist:

- ▼ The term of exploration licence in the specific area of interest has expired during the reporting period or will expire in the near future, and is not expected to be renewed;
- ▼ Substantive expenditure on further exploration for and evaluation of mineral resources in the specific area are not budgeted nor planned;
- ▼ Exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the decision was made to discontinue such activities in the specified area; or
- ▼ Sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration asset is unlikely to be recovered in full from successful development or by sale.

Where a potential impairment is indicated, an assessment is performed for each CGU which is no larger than the area of interest. The company performs impairment testing in accordance with accounting policy 3(g)(ii).

(g) Impairment

(i) Financial assets

A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate. An impairment loss in respect of an available-for-sale financial asset is calculated by reference to its current fair value.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognised in profit or loss. Any cumulative loss in respect of an available-for-sale financial asset recognised previously in equity is transferred to profit or loss.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost and available-for-sale financial assets that are debt securities, the reversal is recognised in profit or loss. For available-for-sale financial assets that are equity securities, the reversal is recognised directly in equity.

(ii) Non-financial assets

The carrying amounts of the Group's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

An impairment loss is recognised in profit and loss if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a *pro rata* basis.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation of amortisation, if no impairment loss had been recognised.

(h) Employee benefits

(i) Share based payments

The fair value of share-based payment awards granted to employees is recognised as an employee expense where the value of the share based payment is expensed from the grant date to the vesting date. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

NOTES TO THE FINANCIAL STATEMENTS

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(ii) Short term benefit

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

(iii) Defined contribution funds

Obligations for contributions to defined contribution superannuation funds are recognised as an expense in the profit or loss as incurred.

(i) Earnings per share

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

(j) Income and Expenses

(i) Operating lease payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised in the income statement as an integral part of the total lease expense and spread over the term of lease.

(ii) Finance income and expenses

Finance income comprises interest income on funds invested. Interest income is recognised as it accrued, using the effective interest method.

Finance expenses comprise interest expense on borrowings and loss on held for trading investments. All borrowing costs are recognised in profit or loss using the effective interest method.

(k) Leased assets

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset. Other leases are operating leases which are not recognised on the Group's Statement of Financial Position.

(l) Segment reporting

Segment results that are reported to the Board include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

The Group operated predominately in one business segment and in one geographical location in both current and previous years.

(m) New Australian Accounting standards and interpretations issued but not yet adopted

A number of new standards, amendments to standards and interpretations are available for early adoption for annual periods beginning after 1 July 2016, and have not been applied in preparing these consolidated financial statements. The Group does not plan to adopt these standards early and the extent of the impact has not been determined.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) AASB 9 *Financial Instruments*:

AASB 9 replaces the existing guidance in AASB 139 *Financial Instruments: Recognition and Measurement*. AASB 9 includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and recognition of financial instruments from AASB 139.

An assessment of the Group's financial assets and liabilities was performed to determine whether the change in standard would affect the classification and measurement of financial instruments currently held. The new standard is not expected to impact the measurement of TRR's financial assets and liabilities.

AASB 9 is effective for annual reporting periods beginning on or after 1 January 2018, with early adoption permitted.

(ii) AASB 15 *Revenue from Contracts with Customers*

AASB 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing revenue recognition guidance, including AASB 118 *Revenue*, AASB 111 *Construction Contracts* and AASB Interpretation 13 *Customer Loyalty Programmes*.

The standard contains a single model that applies to contracts with customers and two approaches to recognising revenue: at a point in time or over time. The model features a contracts-based five step analysis of transactions to determine whether, how much and when revenue is recognised.

The Group does not have existing revenue from contracts with customers.

AASB 15 is effective for annual reporting periods beginning on or after 1 January 2018, with early adoption permitted.

(iii) AASB 16 *Leases*

AASB 16 removes the lease classification of leases as either operating leases or finance leases – for the lessee – effectively treating all leases as finance leases.

Short term leases (less than 12 months) and lease of low value assets (such as personal computers) are exempt from the lease accounting requirements.

Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised.

Lessees will be required to separately recognize the interest expense on the lease liability and the depreciation on the right of use asset.

Lessor accounting remains similar to current practice- i.e. lessors continue to classify leases as finance and operating leases.

The Group does not have significant leases.

AASB16 is effective for annual reporting periods beginning on or after 1 January 2019, with early adoption permitted where AASB 15 *Revenue from Contracts with Customers* is adopted at the same time.

(n) *Changes in accounting policy*

Todd River Resources Limited has adopted all of the new and revised Accounting Standards and Interpretations issued by the AASB that are relevant and effective for reporting periods beginning on or after 1 July 2016.

The nature and effects of the changes required by these standards had no material impact on the financial statements.

4 DETERMINATION OF FAIR VALUES

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. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

(i) **Other receivables, trade and other payables**

Other receivables, trade and other payables are short term in nature. As a result, the fair value of these instruments is considered to approximate its fair value.

(ii) **Share-based payment transactions**

The fair value of employee options is measured using the Black-Scholes formula. Measurement inputs include share price on measurement date, exercise price of the instrument, expected volatility (based on weighted average historic volatility adjusted for changes expected due to publicly available information), weighted average expected life of the instruments (based on historical experience and general option holder behaviour), expected dividends, and the risk-free interest rate (based on government bonds). Service and non-market performance conditions attached to the transactions are not taken into account in determining fair value.

5 FINANCIAL RISK MANAGEMENT

Overview

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

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

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

Credit risk

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

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

Cash and cash equivalents

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

Trade and other receivables

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

NOTES TO THE FINANCIAL STATEMENTS

5 FINANCIAL RISK MANAGEMENT (CONTINUED)

Exposure to credit risk

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

	Note	Consolidated Carrying amount	
		2017 \$'000	2016 \$'000
Trade and other receivables	12	27	-
Cash and cash equivalents	11	4,156	-
		4,183	-

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

Liquidity risk

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

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

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

Consolidated

	Note	Carrying amount \$'000	Contractual cash flows \$'000	<3 months \$'000
30 June 2017				
Trade and other payables	14	444	444	444
		444	444	444
30 June 2016				
Trade and other payables	14	217	217	217
		217	217	217

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Group's income.

The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

NOTES TO THE FINANCIAL STATEMENTS

5 FINANCIAL RISK MANAGEMENT (CONTINUED)

Interest rate risk

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

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

Profile

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

		Consolidated Carrying amount	
	Note	2017 \$'000	2016 \$'000
Variable rate instruments			
Cash and cash equivalents	11	4,156	-
Fixed rate instruments			
Security deposits	11	27	-
		4,183	-

Fair value sensitivity analysis for fixed rate instruments

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

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased or decreased the Group's equity and profit or loss by \$41,560 (2016: zero).

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

Capital Management

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

6 INCOME AND EXPENSES

	Note	Consolidated	
		2017 \$'000	2016 \$'000
(a) Net financial income			
Interest income		18	-
Finance income		18	-
Finance expense		-	-
Net finance income		18	-
(b) Corporate and Administration expenses			
Travel and accommodation		11	-
Legal fees		14	-
Promotional		64	-
Contractors and consultancy		84	31
Occupancy		14	-
Other		225	4
Total Corporate and Administration		412	35
(c) Employment expenses			
Wages and salaries		91	-
Contributions to defined contribution plans		2	-
Equity settled share- based payment transaction		1,254	-
Total Employment expenses		1,347	-

7 AUDITORS' REMUNERATION

	Consolidated	
	2017 \$'000	2016 \$'000
Auditors of the Group		
<i>KPMG Australia:</i>		
Audit and review of financial reports	17,000	-
	17,000	-

NOTES TO THE FINANCIAL STATEMENTS

8 INCOME TAX

	Consolidated	
	2017 \$'000	2016 \$'000
A reconciliation between tax expense and pre-tax loss:		
Accounting (loss) before income tax	(1,741)	-
At the domestic tax rate of 30% (2016: 30%)	(522)	-
<i>Reconciling items</i>		
Items relating to the period when Todd River Resources Ltd was a member of TNG Ltd's income tax consolidated group	60	-
Share-based payments – non deductible for income tax purposes	376	-
Tax losses and temporary differences not brought to account	86	-
Income tax expense reported in the income statement	-	-
Unused tax losses carried forward	1,418	-
Potential tax benefit @ 30%	426	-
Tax losses offset against deferred tax liabilities	(391)	-
Unrecognised tax benefit	35	-
Reconciliation of income tax expense		
Current tax expense	-	-
Other comprehensive income	-	-
	-	-

All unused tax losses were incurred by Australian entities.

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

8 INCOME TAX (CONTINUED)

Deferred income tax

Statement of financial position	Consolidated	
	2017 \$'000	2016 \$'000
Deferred income tax relates to the following:		
<i>Deferred Tax Liabilities</i>		
Exploration and evaluation assets	393	-
Other		-
<i>Deferred Tax Assets</i>		
Other	(2)	-
Deferred tax assets used to offset deferred tax liabilities (tax losses)	(391)	-
	-	-

9 EARNINGS PER SHARE

The calculation of basic earnings per share for the year ended 30 June 2017 was based on the loss attributable to ordinary shareholders of \$1,740,660 and a weighted average number of ordinary shares on issue during the year ended 30 June 2017 of 15,178,595.

Loss attributable to ordinary shareholders

	2017 \$'000	2016 \$'000
(Loss) for the period	(1,741)	(35)
(Loss) attributable to ordinary shareholders	(1,741)	(35)

Weighted average number of ordinary shares

	2017 Numbers	2016 Numbers
Number of ordinary shares at 1 July	100	100
Effect of shares issued	15,178,495	0
Weighted average number of ordinary shares at 30 June	15,178,595	100

Effect of dilutive securities

Todd River's potential ordinary shares at 30 June 2017, being its options, are not considered dilutive as the conversion of these options would not increase the net loss per share.

At balance date the Group has options which were not yet exercised as per note 20.

NOTES TO THE FINANCIAL STATEMENTS

10 SEGMENT INFORMATION

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

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

11 CASH AND CASH EQUIVALENTS

	Consolidated	
	2017 \$'000	2016 \$'000
Cash at bank	4,156	-
	4,156	-

12 TRADE AND OTHER RECEIVABLES

	Consolidated	
	2017 \$'000	2016 \$'000
Current		
Short term security deposits ¹	27	-
GST receivables	136	-
	163	-

¹ Bonds to support unconditional environmental performance.

NOTES TO THE FINANCIAL STATEMENTS

13 EXPLORATION AND EVALUATION EXPENDITURE

	Note	Consolidated	
		2017 \$'000	2016 \$'000
Cost			
Balance at 1 July		-	-
Exploration and evaluation expenditure		1,052	-
Exploration assets purchased from TNG Ltd	15(a)	7,000	-
Impairment		-	-
Balance at 30 June		8,052	-

The ultimate recovery of the carrying amount of costs carried forward for exploration and evaluation phases is dependent on the successful development and commercial exploitation or sale of the respective areas. At balance date the carrying amount of exploration and evaluation expenditure was \$8,051,317 of which \$4,836,442 is attributable to the entity's Manbarrum project, \$1,248,908 attributable to the Mount Hardy project and the balance relating to other current exploration programs.

14 TRADE AND OTHER PAYABLES

	Consolidated	
	2017 \$'000	2016 \$'000
Current		
Trade payables ¹	271	21
Loan Payable TNG Ltd	-	196
Trade Creditor TNG Ltd ²	112	-
Other Payables ¹	61	-
	444	217

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

² Administrative and geological costs on charged by TNG Ltd as per the Administrative Services Agreement (refer Note 21).

15 CAPITAL

	Consolidated	
	2017 \$'000	2016 \$'000
Issued and paid-up share capital	12,031	-

NOTES TO THE FINANCIAL STATEMENTS

15 CAPITAL (CONTINUED)

(a) Movements in shares on issue

	2017		2016	
	Number	\$'000	Number	\$'000
Balance at the beginning of year	-	-	-	-
TNG Ltd Share allotment ¹	35,000,100	7,000	-	-
Share placement ²	30,000,000	6,000	-	-
Share issue costs ³	-	(969)	-	-
Balance at end of year	65,000,100	12,031	-	-

¹ During the year TNG Limited demerged its assets in the Northern Territory to create a base metal-focused exploration company in Todd River Resources Limited. TNG Limited transferred the NT Base Metal Assets to the Company in consideration for 35,000,000 shares at a price of \$0.20 per share, totalling \$7,000,000.

² \$6,000,000 was raised via an IPO. This included a maximum subscription of 30,000,000 shares at \$0.20 per share.

³ Includes \$406,000 share based payments to consultants (refer note 20) and \$563,435 share issue costs.

Terms and conditions of contributed equity

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

(b) Options on issue

Grant Date	Expiry Date	Exercise Price	Number at end of year	
			2017	2016
17 March 2017 ¹	22 March 2020	\$0.250	3,500,000	-
17 March 2017 ²	22 March 2020	\$0.300	11,500,000	-
17 March 2017 ³	22 March 2020	\$0.250	15,000,000	-

¹ Listed options issued to consultants as payment for services rendered. The options are exercisable immediately from grant date.

² Unlisted options issued to Directors and key management personnel as disclosed in the remuneration report. The options are exercisable immediately from grant date.

³ Every person participating in the IPO received 1 free listed option for every 2 shares purchased. The grant date was 22 March 2017 and the options vested immediately. The options have an exercise price of \$0.25 and expire on 22 March 2020. None of the options were exercised as at 30 June 2017.

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

(c) Dividends

No dividends were declared or paid during the 2017 financial year.

NOTES TO THE FINANCIAL STATEMENTS

16 COMMITMENTS

Exploration expenditure commitments

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

	Consolidated	
	2017 \$'000	2016 \$'000
Exploration commitments payable not provided for in the financial report:		
Within one year	775	-

17 CONTINGENT LIABILITIES

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

	Consolidated	
	2017 \$'000	2016 \$'000
Guarantees		
A guarantee has been provided to support unconditional environmental performance bonds	27	-
Total estimated contingent liabilities	27	-

Indemnities have been provided to Directors and certain executive officers of the Company in respect of liabilities to third parties arising from their positions, except where the liability arises out of conduct involving a lack of good faith. No monetary limit applies to these agreements and there are no known obligations outstanding at 30 June 2017.

18 CONSOLIDATED ENTITIES

<i>Subsidiaries</i>	Country of Incorporation	2017 % of Ownership	2016 % of Ownership
Todd River Metals Pty Ltd	Australia	100	100

NOTES TO THE FINANCIAL STATEMENTS

19 NOTES TO THE STATEMENTS OF CASH FLOWS

Reconciliation of cash flows from operating activities

	Consolidated	
	2017 \$'000	2016 \$'000
Net profit/(loss) for the period	(1,741)	(35)
Add/(less) non-cash items:		
Share based payments	1,254	-
	(487)	(35)
Change in assets and liabilities:		
Decrease/(increase) in receivables	(136)	35
Decrease/(increase) in prepayments	(1)	-
Decrease/(increase) in payables	145	-
Net cash used in operating activities	(479)	-

20 SHARE BASED PAYMENTS

Options issued to key management personnel and consultants

Grant Date	Expiry Date	Exercise Price	Number at end of year	
			2017	2016
17 March 2017 ¹	22 March 2020	\$0.250	3,500,000	-
17 March 2017 ²	22 March 2020	\$0.300	11,500,000	-

¹ Options issued to consultants in payment of services rendered. The options have no vesting conditions and are exercisable immediately from grant date. The total expenses of \$406,000 has been recognised in equity as share issue costs (refer Note 15a).

² Options issued to directors and key management personnel as disclosed in the remuneration report. The options have no vesting conditions and are exercisable immediately from grant date.

In accordance with AASB2 'Share-based payments' the Group has charged the fair value of share-based payments to the income statement over the vesting period.

Employee expenses

	Note	Consolidated	
		2017 \$'000	2016 \$'000
Total expense recognised as employee expenses	6(c)	1,254	-

NOTES TO THE FINANCIAL STATEMENTS

20 SHARE BASED PAYMENTS (CONTINUED)

The following inputs were used in the measurement of fair values of options:

	Issue 1	Issue 2
Dividend yield	0.00%	0.00%
Share price at date of grant	\$0.200	\$0.200
Exercise price	\$0.250	\$0.300
Volatility	100%	100%
Risk free rate	1.96%	1.96%
Expiration date	22 Mar 2020	22 Mar 2020
Binomial valuation	\$0.116	\$0.109

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

	Consolidated			
	Weighted average exercise price 2017 \$	Number of options 2017	Weighted average exercise price 2016 \$	Number of options 2016
Outstanding at 1 July	-	-	-	-
Expired during the period	-	-	-	-
Exercised during the year	-	-	-	-
Granted during the period	0.288	15,000,000	-	-
Outstanding during the period	0.288	15,000,000	-	-
Exercisable at 30 June	0.288	15,000,000	-	-

The options outstanding at 30 June 2017 have an average remaining contractual life of 33 months and an exercise price ranging from \$0.25 to \$0.30.

21 RELATED PARTIES

(a) TNG Limited

The Company purchased Exploration assets from TNG Limited for consideration of 35,000,000 shares in the Company. The fair value of the shares was determined to be \$0.20, by reference to the subscription value of the shares of the IPO, resulting in the exploration assets being acquired for \$7,000,000 (also refer Note 13 and 15a).

The Company was a wholly owned subsidiary of TNG Limited up to the date of the IPO (6 April 2017). In December 2016, TNG Limited waived a loan of \$195,000 owing by Todd River Resources Limited and the transaction was treated as an additional capital contribution.

The Company entered into an Administrative Services Agreement with TNG Limited. The fees and costs associated with the agreement included 40% of TNG Limited's administration expenditure per month in lieu of the services and facilities provided by TNG Limited. Geological staff costs and services are also on charged from TNG Limited to Todd River Resources as part of the agreement. \$213,065 has been incurred for the year ended 30 June 2017 and has been included in Corporate and Admin expenses per Note 6(b).

NOTES TO THE FINANCIAL STATEMENTS

21 RELATED PARTIES (CONTINUED)

(b) Compensation of key management personnel

Key management personnel compensation comprised the following:

Compensation by category

	Consolidated	
	2017 \$'000	2016 \$'000
<i>Key Management Personnel</i>		
Short-term	191	-
Post-employment	-	-
Share-based payments	1,254	-
	1,445	-

Information regarding individual Directors and executives compensation and some equity disclosure as required by the Corporations Act s300A provided in the Remuneration Report section of the Directors' Report.

(c) Other transactions with key management personnel

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

During the year consulting fees were paid to Katarina Corporation Pty Ltd \$20,400, Gimbulki Resources Pty Ltd \$4,500, 1664 Pty Ltd \$50,000 and SLR Consulting Pty Ltd \$30,964 of which Rex Turkington, Edward Fry, Paul Burton and Simon Robertson are related parties respectively. These fees are included in salaries and fees in the remuneration report.

None were outstanding at 30 June 2017 (2016: \$0).

NOTES TO THE FINANCIAL STATEMENTS

22 PARENT ENTITY INFORMATION

For the financial year ended 30 June 2017 the parent entity of the Group was Todd River Resources Limited. The summary of financial information is as follows.

	2017 \$'000	2016 \$'000
Current assets	4,189	-
Non-current assets	7,911	-
Total assets	12,100	-
Current liabilities	159	213
Total liabilities	159	-
Issued capital	(12,031)	-
Reserves	(195)	213
Accumulated losses	285	-
Total equity	11,941	(213)
Profit or loss of the parent entity	(1,732)	(35)
Total comprehensive income/(loss) of the parent entity	(1,732)	(35)

Tax consolidation

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

23 EVENTS SUBSEQUENT TO BALANCE DATE

No material events were recorded subsequent to the balance date.

DIRECTORS' DECLARATION

- 1 In the opinion of the directors of Todd River Resources Limited (the "Company"):
 - (a) the financial statements and notes, and the Remuneration report in the Director's report, set out on pages 18 to 55, are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the Group's financial position as at 30 June 2017 and of its performance, for the financial year ended on that date; and
 - (ii) complying with Accounting Standards and Corporation Regulations 2001, and
 - (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
- 2 The directors have been given the declarations required by Section 295A of the Corporations Act 2001 from the Chief Executive Officer (or equivalent) for the financial year ended 30 June 2017.
- 3 The directors draw attention to note 2(a) of the consolidated financial statements which includes a statement of compliance with International Financial Reporting Standards.

Signed in accordance with the resolution of the directors:



Paul Burton
Technical Director

Dated 29 September 2017



Independent Auditor's Report

To the shareholders of Todd River Resources Limited

Report on the audit of the Financial Report

Opinion

We have audited the **Financial Report** of Todd River Resources Limited (the Company).

In our opinion, the accompanying Financial Report of the Company is in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the **Group's** financial position as at 30 June 2017 and of its financial performance for the year ended on that date; and
- complying with Australian Accounting Standards and the Corporations Regulations 2001.

The **Financial Report** comprises:

- Consolidated Statement of Financial Position as at 30 June 2017
- Consolidated Statement of Profit or Loss and Other Comprehensive Income, Consolidated Statement of Changes in Equity, and Consolidated Statement of Cash Flows for the year then ended
- Notes including a summary of significant accounting policies
- Directors' Declaration.

The **Group** consists of the Company and the entities it controlled at the year-end or from time to time during the financial year.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 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 fulfilled our other ethical responsibilities in accordance with the Code.

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.



Carrying value of exploration and evaluation expenditure (\$8,052,000)

Refer to Note 13 'Exploration and evaluation expenditure'

The key audit matter	How the matter was addressed in our audit
<p>The carrying value of exploration and evaluation expenditure capitalised (E&E) is a key audit matter due to:</p> <ul style="list-style-type: none"> the significance of E&E acquired and the balance being 65% of total assets; and the greater level of audit effort to evaluate the Group's application of the requirements of the industry specific accounting standard AASB 6 <i>Exploration for and Evaluation of Mineral Resources</i>, in particular the assessment of impairment indicators. The presence of impairment indicators would necessitate a detailed analysis by the Group of the value of E&E, therefore given the criticality of this to the scope and depth of our work, we involved senior team members to challenge the Group's determination that no such indicators existed. <p>In assessing the presence of impairment indicators, we focused on those that may draw into question the commercial continuation of E&E activities for areas of interest where significant capitalised E&E exists:</p> <ul style="list-style-type: none"> Documentation available regarding rights to tenure, via licensing, and compliance with relevant conditions, to maintain current rights to an area of interest and the Group's intention and capacity to continue the relevant E&E activities; The ability of the Group to fund the continuation of activities; Results from latest activities regarding the existence or otherwise of economically recoverable reserves/commercially viable quantity of reserves, supported by an external expert; and The determination by the Group of whether E&E has not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves. 	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> Evaluating the Group's accounting policy to recognise exploration and evaluation assets using the criteria in the accounting standard. We assessed the Group's determination of its areas of interest for consistency with the definition in the accounting standard. This involved analysing the licences in which the Group holds an interest and the exploration programmes planned for those for consistency with documentation such as licence related technical conditions, joint venture agreements and planned work programmes. For each area of interest, we assessed the Group's current rights to tenure by corroborating the ownership of the relevant licence to government registries and evaluating agreements in place with other parties. We also tested for compliance with conditions, such as minimum expenditure requirements, on a sample of licences. We tested the Group's acquired E&E assets and subsequent additions to E&E for the year by evaluating a statistical sample of recorded expenditure for consistency to underlying records, the capitalisation requirements of the Group's accounting policy and the requirements of the accounting standard. We evaluated documentation, such as minutes of Board meetings and ASX announcements, for consistency with their stated intentions for continuing E&E in certain areas. We corroborated this through interviews with key operational and finance personnel. We analysed the Group's stage of exploration activities and determination that the Group has not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, by evaluating the Group's documentation of planned future/continuing activities including work programmes and project and corporate budgets for a sample of areas. We compared the results from the external expert regarding the existence of reserves for consistency to the treatment of E&E and the requirements of the accounting standard.



Other Information

Other Information is financial and non-financial information in Todd River Resources Limited's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not and will not express an audit opinion or any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we 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.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- preparing the Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*
- implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error
- assessing the Group and Company's ability to continue as a going concern. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Group and Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- 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. They 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.

A further description of our responsibilities for the audit of the Financial Report is located at the *Auditing and Assurance Standards Board* website at: http://www.auasb.gov.au/auditors_files/ar2.pdf. This description forms part of our Auditor's Report.



Report on the Remuneration Report

Opinion

In our opinion, the Remuneration Report of Todd River Resources Limited for the year ended 30 June 2017, complies with *Section 300A of the Corporations Act 2001*.

Directors' 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 responsibilities

We have audited the Remuneration Report included in pages 21 to 26 of the Directors' report for the year ended 30 June 2017.

Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with *Australian Auditing Standards*.

KPMG

KPMG

Jane Bailey

Jane Bailey
Partner

Perth
29 September 2017

CORPORATE GOVERNANCE STATEMENT

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

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

This Statement was approved by the Board of Directors and is current as at 21 September 2017.

PRINCIPLE 1: LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

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

The Company has complied with this recommendation.

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

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

The Company has complied with this recommendation.

The Company will conduct appropriate checks prior to the appointment of a Director. No new directors have been appointed since the Company listed on ASX

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

ASX Recommendation 1.3: A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.

The Company has complied with this recommendation.

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

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

The Company has complied with this recommendation.

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

ASX Recommendation 1.5: A listed entity should:

- ▶ **Have a diversity policy which includes the requirement for the Board to set measurable objectives for achieving gender diversity and assess annually the objectives and the entity's progress to achieving them;**
- ▶ **disclose the policy or a summary of it;**
- ▶ **disclose the measurable objectives and progress towards achieving them; and**
- ▶ **disclose the respective proportions of men and women on the Board and at each level of management and the company as a whole.**

The Company partly complies with this recommendation.

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

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

CORPORATE GOVERNANCE STATEMENT

As at 30 June 2017, the Company does not have any female Board members or senior managers (2016: nil). Of the balance of the Company's employees 100% are female (2016: nil). 20% (2016: nil) of the Company's employees in total, including Directors, are female.

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

The Company has complied with this recommendation.

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

A performance review was undertaken during the reporting period.

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

The Company has complied with this recommendation.

The Company has in place procedures for evaluating the performance of its senior executives overseen by the Board. These procedures include a review by the Board of the Company's financial performance and an annual performance appraisal meeting with each senior executive.

A performance review was undertaken during the reporting period.

PRINCIPLE 2: STRUCTURE THE BOARD TO ADD VALUE

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

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

The Company has not complied with this recommendation.

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

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

The Company has complied with this recommendation.

The Board has established a skill matrix. On a collective basis the Board has the following skills:

Strategic expertise: Ability to identify and critically assess strategic opportunities and threats and develop strategies.

Specific Industry knowledge: Geological qualifications are held by the Technical Director and other members of the Board have a general background and experience in the resources sector including exploration, mineral resource project development and mining.

CORPORATE GOVERNANCE STATEMENT

Accounting and finance: The ability to read and comprehend the Company's accounts, financial material presented to the Board, financial reporting requirements and an understanding of corporate finance.

Legal Compliance: Overseeing compliance with numerous laws, ensuring appropriate legal and regulatory compliance frameworks and systems are in place and understanding an individual Director's legal duties and responsibilities.

Risk management: Identify and monitor risks to which the Company is, or has the potential to be exposed to.

Experience with financial markets: Experience in working in or raising funds from the equity or capital markets.

Native Title negotiations: experience in dealing with Traditional Owners and negotiation of Native Title agreements and access agreements to progress the Company's activities.

Investor relations and stakeholder Management: Experience in identifying and establishing relationships with Shareholders, potential investors, institutions, equity analysts and other key stakeholders.

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

The Company has complied with this recommendation.

Non- executive Chairman, Mr Edward Fry is considered to be an independent Director.

Paul Burton, Rex Turkington and Mr Geoffrey Crow are not considered to be independent Directors due to their roles as directors of TNG Limited, a substantial shareholder of the Company.

Mr Paul Burton is an Executive Director and is not considered an independent Director as he is employed in an executive capacity.

The respective appointment date of each Director is:

Edward Fry	4 April 2017
Paul Burton	24 June 2014
Rex Turkington	24 June 2014
Geoffrey Crow	24 June 2014

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

The Company has not complied with this recommendation.

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

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

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

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

The Company has complied with this recommendation.

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

The Company has not yet appointed a Managing Director. Mr. Paul Burton is Technical Director of the Company and currently oversees its operations.

CORPORATE GOVERNANCE STATEMENT

ASX Recommendation 2.6: A listed entity should have a program for inducting new Directors and provide appropriate professional development opportunities.

The Company has complied with this recommendation.

The full board is responsible for the approval and review of induction and continuing professional development programs and procedures for Directors to ensure that they can effectively discharge their responsibilities.

PRINCIPLE 3: ACT ETHICALLY AND RESPONSIBLY

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

The Company has complied with this recommendation.

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

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

PRINCIPLE 4: SAFEGUARD INTEGRITY IN FINANCIAL REPORTING

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

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

The Company has not complied with this recommendation.

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

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

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

The Company partly complies with this recommendation.

The Board has received the assurance required by ASX Recommendation 4.2 in respect of the financial statements for the half year ended 31 December 2016 and the full year ended 30 June 2017. Given the size and nature of the Company's operations the Board has not received the assurance in respect of the quarterly cash flow statements believing that the provision of the assurance for the half and full year financial statements is sufficient.

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

The Company has complied with this recommendation.

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

PRINCIPLE 5: MAKE TIMELY AND BALANCED DISCLOSURE

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

The Company has complied with this recommendation.

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

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

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

PRINCIPLE 6: RESPECT THE RIGHTS OF SHAREHOLDERS

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

The Company has complied with this recommendation.

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

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

The Company has complied with this recommendation.

The Company's Board is currently the Company's contact for investors and potential investors and makes himself available to discuss the Company's activities when requested. When appointed the CEO will be the Company's main contact for investors and potential investors.

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

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

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

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

The Company has complied with this recommendation.

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

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

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

The Company has complied with this recommendation.

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

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

PRINCIPLE 7: RECOGNISE AND MANAGE RISK

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

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

The Company has not complied with this recommendation.

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

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

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

CORPORATE GOVERNANCE STATEMENT

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

The Company has complied with this recommendation.

The Board conducted such a review during the reporting period.

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

The Company has complied with this recommendation.

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

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

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

The Company has complied with this recommendation.

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

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

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

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

The Board currently considers that the Company does not have any material exposure to social sustainability risk.

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

PRINCIPLE 8: REMUNERATE FAIRLY AND RESPONSIBLY

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

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

The Company has not complied with this recommendation.

CORPORATE GOVERNANCE STATEMENT

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

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

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

The Company has complied with this recommendation.

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

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

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

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

The Company has complied with this recommendation.

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

ASX ADDITIONAL INFORMATION

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

Twenty largest shareholders as at 26 September 2017

Rank	Name	Units	% of Units
1.	TNG LIMITED	7,000,000	10.77
2.	MR WARREN WILLIAM BROWN + MRS MARILYN HELENA BROWN <WWB INVESTMENTS P/L S/F A/C>	2,784,312	4.28
3.	MUNCHA CRUNCHA PTY LTD	2,098,623	3.23
4.	HC INVESTMENT HOLDINGS PTY LIMITED <THE JC A/C>	2,000,000	3.08
5.	AOSU INVESTMENT AND	1,956,280	3.01
6.	AO-ZHONG INTERNATIONAL MINERAL RESOURCES PTY LTD	1,246,481	1.92
7.	J P MORGAN NOMINEES AUSTRALIA LIMITED	1,136,382	1.75
8.	MS PING WANG <PING WANG FAMILY A/C>	1,100,000	1.69
9.	TOP CLASS HOLDINGS PTY LTD <THE ONSLOW SUPER FUND A/C>	850,000	1.31
10.	SPICEME CAPITAL PTY LTD	640,000	0.98
11.	MR MARC ANTHONY SCHAFFERT	600,000	0.92
12.	RUBENSTEIN FAMILY INVESTMENTS PTY LTD <RUBENSTEIN FAMILY A/C>	587,000	0.90
13.	MRS PAULINE MARY DEEVES	540,000	0.83
14.	NATIONAL NOMINEES LIMITED	508,138	0.78
15.	SANLAM PRIVATE WEALTH PTY LTD <WESTBOURNE LONG SHORT A/C>	500,000	0.77
16.	BELLAIRE CAPITAL PTY LTD <BELLAIRE CAPITAL INVEST A/C>	463,639	0.71
17.	HIRSCH FINANCIAL PTY LTD	450,000	0.69
18.	THE BRAND CONNECTION PTY LTD	432,232	0.66
19.	JA RODGERS SUPERANNUATION PTY LTD <JOHN RODGERS SUPER FUND A/C>	432,090	0.66
20.	MR PAUL BURTON	419,387	0.65
Totals: Top 20 holders		25,744,564	39.61
Total Remaining Holders Balance		39,255,536	60.39

ASX ADDITIONAL INFORMATION

Twenty largest Listed Option holders as at 26 September 2017

Rank	Name	Units	% of Units
1.	BELLAIRE CAPITAL PTY LTD <BELLAIRE CAPITAL INVEST A/C>	3,500,000	18.92
2.	JETOSEA PTY LTD	701,878	3.79
3.	MR JOHN ANDREW RODGERS <JOHN RODGERS FAMILY A/C>	500,000	2.70
4.	THE TRUST COMPANY (AUSTRALIA) LIMITED <MOF A/C>	500,000	2.70
5.	MS PING WANG <PING WANG FAMILY A/C>	500,000	2.70
6.	MR MARC ANTHONY SCHAFFERT	450,000	2.43
7.	MR VLAD STANCULESCU	360,000	1.95
8.	MR HUGH ANTHONY FAINT	325,000	1.76
9.	TAOS PTY LTD <GEILINGS & CO PTY SUPER A/C>	262,500	1.42
10.	MR JOHN DAVIDSON <THE DAVIDSON A/C>	250,000	1.35
11.	HC INVESTMENT HOLDINGS PTY LIMITED <THE JC A/C>	250,000	1.35
12.	BELLAIRE CAPITAL PTY LTD <BELLAIRE CAPITAL INVEST A/C>	232,344	1.26
13.	MR DAVID ARITI	209,576	1.13
14.	MR MARK ANDREW LINNEY <THE M A LINNEY FAMILY A/C>	208,500	1.13
15.	1215 CAPITAL PTY LTD	200,000	1.08
16.	MR ANDREW JOHN PEARSON	200,000	1.08
17.	RUBENSTEIN FAMILY INVESTMENTS PTY LTD <RUBENSTEIN FAMILY A/C>	187,500	1.01
18.	SANLAM PRIVATE WEALTH PTY LTD <WESTBOURNE LONG SHORT A/C>	187,500	1.01
19.	GRASMERE NOMINEES PTY LTD	162,500	0.88
20.	MR PAUL REGAN + MRS MARITA REGAN <P & M REGAN SUPER FUND A/C>	162,500	0.88
Totals: Top 20 holders		9,349,798	50.54
Total Remaining Holders Balance		9,150,202	49.46

Distribution of listed equity securities as at 26 September 2017

Category	Number of listed security holders	
	Ordinary Shares	Listed Options
1 – 1,000	2,065	1
1,001 – 5,000	1,145	70
5,001 – 10,000	373	40
10,001 – 100,000	573	179
100,001 and over	97	39
	4,253	329

The number of shareholders holding less than a marketable parcel is 3,099.

ASX ADDITIONAL INFORMATION

Substantial shareholders as at 26 September 2017

Substantial holders in the Company are set out below:

Shareholder	Number
TNG LIMITED	7,000,000

Class of shares and voting rights

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

On-market buy-back

There is no current on-market buy-back.

Unlisted Options as at 26 September 2017

Unlisted options exercisable @ \$0.30 expiring 22 March 2020

Total on issue	11,500,000
Number of holders (>100,000)	5
Holder with 20% or more:	1
Paul Burton	4,000,000

Restricted securities as at 25 September 2017

The following securities are escrowed until 24 Months from the Date of Official Quotation:

Ordinary Shares	8,023,146
Listed Options exercisable at \$0.25 on or before 22 March 2020	3,500,000
Unlisted Options exercisable at \$0.30 on or before 22 March 2020	10,000,000

Listing Rule 4.10.19 confirmation

The Company has used the cash and assets readily convertible to cash that it had at the time of admission to ASX in a way consistent with the business objectives set out in the prospectus.

ASX ADDITIONAL INFORMATION

The Group holds an interest in the following tenements at 15 September 2017

Project	Tenements	Equity
McArthur River	EL27711, EL28509, EL30085	100%
Croker Island	ELA29164	100%
Mount Hardy	EL27892, EL29219, EL28694	100%
Manbarrum JV	A24518, A26581, EL24395, EL25646, MLA27357	100%
Sandover	ELA29252, ELA29253	100%
Tomkinson	EL30348, EL30359, EL31265	100%
Soldiers Creek	EL31209	100%
Stokes Yard	EL30131	100%
Walabanba Hills	EL26848, EL27115	100%
Warramunga/Rover JV	EL25581, ELA25582, ELA25587, MLC647	100% (Farm in agreement)
Peterman Ranges	ELA26383, ELA25564, ELA26384, ELA25562, ELA26382	100% (Farm in agreement)
Goddard's	ELA24260	100% (Farm in agreement)

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

Mineral Reserves and Resources

As at 30 June 2017 the company has reviewed its Mineral as follows:

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

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

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

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

Competent Persons Statements

The information in this report that relates to the estimation and reporting of the Sandy Creek Mineral Resource is extracted from the Independent Geologists Report included in the Prospectus lodged on 31 January 2017 and the Supplementary Prospectus lodged on 10 February 2017 which are available to view at www.trrltd.com.au and www.asx.com.au. The Company confirms that it is not aware of any new information or data that materially affects the information included in the Independent Geologists Report included in the Prospectus and Supplementary Prospectus and that all material assumptions and technical parameters underpinning the Mineral Resource estimate in the Independent Geologists Report included in the Prospectus and Supplementary Prospectus continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the Independent Geologists Report included in the Prospectus and Supplementary Prospectus.

The information in this report that relates to Exploration Results is based on, and fairly represents, information and supporting documentation compiled by Exploration Manager Mr Kim Grey B.Sc. and M. Econ. Geol. Mr Grey is a member of the Australian Institute of Geoscientists, and an employee of Todd River Resources Limited. Mr Grey has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Grey consents to the inclusion in the report of the matters based on his information in the form and context in which it appear.



TODD RIVER
RESOURCES