



TODD RIVER

RESOURCES

ABN: 45 600 308 398

**HALF-YEAR
FINANCIAL REPORT
31 DECEMBER 2017**

DIRECTORS

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

COMPANY SECRETARY

Simon Robertson

CHIEF EXECUTIVE OFFICER

William Dix

REGISTERED OFFICE

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AUDITORS

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DOMESTIC STOCK EXCHANGE

Australian Securities Exchange (ASX)
Code: TRT

Todd River Resources Limited

Directors' Report

The Directors present their report together with the financial report of Todd River Resources Limited and of the Group, being the Company and its subsidiary for the financial half year ended 31 December 2017 and the auditor's report thereon.

DIRECTORS

The Directors of the Company at any time during or since the end of the interim period are:

Edward Fry	(Chairman)
Paul Burton	(Managing Director)
Geoffrey Crow	(Non-Executive Director)
Rex Turkington	(Non-Executive Director)

PRINCIPAL ACTIVITIES

The principal activities of the Group during the course of the financial half year was mineral exploration and evaluation.

REVIEW OF OPERATIONS

HIGHLIGHTS

Mount Hardy Copper-Zinc Project

- Final assays from Mount Hardy drilling confirm significant zinc and copper intersections, 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).
- Two new strong conductor plate targets identified from down-hole electromagnetic (DHEM) surveying of completed drill holes.

Walabanba Project

- Extensive mapping and sampling program over the Anningie Tin Field at Walabanba has defined an extensive Lithium-Caesium-Tantalum (LCT) pegmatite at the Bismark Prospect, with the potential to host economic grade lithium mineralisation. High-grade rock chip results include 4.63%, 4.41% and 4.22% Li₂O (lithium oxide).
- Supporting pathfinder elements in rock chip results of up to 2,890ppm Cs, 2.31% SnO₂, 388ppm Ta, 157ppm Ga and 101ppm Tl over of an anomalous area of 400m by 350m.
- Mineralogical work confirms that spodumene is the main lithium-bearing species present in samples from Bismark – in excess of 50% of the rock sample in two cases.
- RC drilling of four electromagnetic targets at the Walabanba Project completed, with DHEM undertaken on all holes. Interpretation of the results is currently underway.

Stokes Yard Project

- Rock chip sampling returns grades up to 9.72% lead, 8.86% zinc, 2.96% copper and 64g/t silver.
- Delineation of a 600x400m zinc-copper-lead soil anomaly.
- pXRF soil sampling results of up to 5,690ppm Zn and 2,531ppm Pb.
- Anomalous rock chip samples over a 50x100m area.

Soldiers Creek

- Highly encouraging results received from maiden mapping and sampling program, with three new lithium prospects outlined within historical tin mining areas. Rock chip results from the Muldiva and Buldiva areas returned assays of up to 2,235ppm Li₂O and up to 75% SnO₂ (tin) in pan concentrates.

McArthur River Base Metals Project

- Five large, strong and extensive geophysical targets identified through state-of-the-art SkyTEM airborne EM survey.
- Extensive copper anomalism outlined within the basal shale unit of the Wollgorang Formation with grades of up to 44.5% Cu returned from rock chip samples taken from the Southern Copper Area.

Todd River Resources Limited

Directors' Report

- Geological mapping has outlined the extent of this basal shale unit to the south and west, with over 6km of strike better defined. The prospective stratigraphy continues to the east, south and south-west under shallow cover.

Manbarrum Zinc-Lead Project

- Conceptual Mining Study progressed on the advanced Manbarrum Zinc-Lead Project, aimed at establishing the criteria for the project's successful development.

CORPORATE

- Appointment of highly experienced mining executive Will Dix as Chief Executive Officer to spearhead the Company's exploration and growth strategy.
- 100% of the highly prospective Rover licence, EL 25581, secured, together with applications EL 25582 and 25587. The licence areas offer an outstanding opportunity for the discovery of Tennant Creek-style copper-gold deposits.
- Two new Exploration Licences secured that adjoin the Company's existing McArthur River Project tenure (EL 27711 and 30085), significantly expanding its strategic exploration footprint in this highly prospective zinc-lead-copper province.

OVERVIEW

Todd River Resources (ASX: TRT) is an Australian-based resources company that holds a large, highly prospective zinc and base metals exploration portfolio in the Northern Territory. The Company was formerly a subsidiary of ASX-listed strategic metals company TNG Ltd (ASX: TNG), and was spun-out of TNG in 2017 to advance and develop TNG's significant portfolio of non-core base metals assets.

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

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

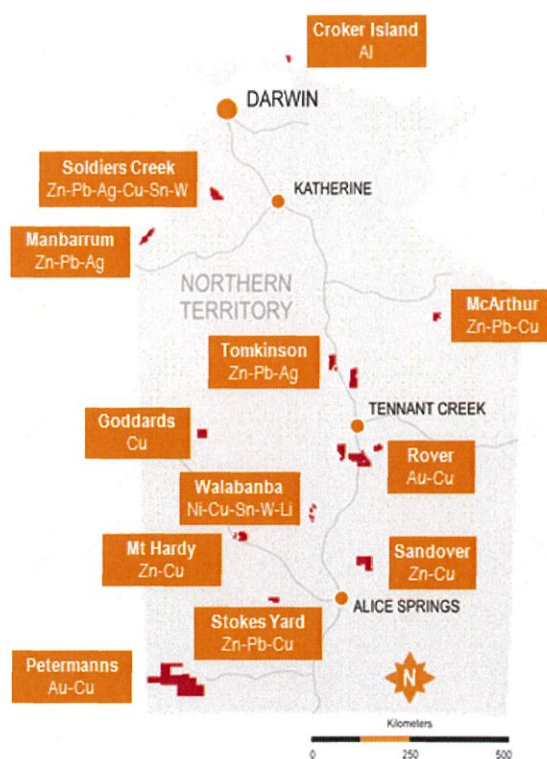


Figure 1. Todd River Resources project portfolio in the Northern Territory.

Todd River Resources Limited

Directors' Report

EXPLORATION

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

Drilling Results

Final assay results from Todd River's maiden drilling program at the Mount Hardy Project were received during the reporting period, with numerous highgrade intercepts confirming the Project's strong prospectivity for base metal mineralisation.

Four high priority targets were drill tested as part of the program – the two strongest EM targets (EM #1 and #2) and the Induced Polarisation (IP) geophysical targets at Browns and Mount Hardy. Significant intersections returned during the reporting period included:

- Hole 17MHRC017 (Browns Prospect): 7.0m @ 1.77% Cu, 0.43% Zn and 17.7g/t Ag from 67-74m
- Hole 17MHRCDH023 (EM #2): 5.2m @ 1.7% Zn, 0.81% Pb and 0.12% Cu from 209.6 to 214.8m
- Hole 17MHRCDH029 (EM #2): 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

Full details of the assay results are provided in the Company's ASX Announcement dated 10 August 2017. Previous assay results were reported in the Company's ASX Announcement dated 23 May 2017.

A total of 14 holes were drilled in the program, comprising ten Reverse Circulation (RC) holes and four diamond tails below RC pre-collars. In total 2,849m were drilled, including 2,195m of RC and 654m of diamond core.

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).

Down-hole Electromagnetic Surveys

Following the completion of the Mount Hardy drilling program outlined above, Todd River completed down-hole electromagnetic surveys on all holes. The interpretation of the August 2017 DHEM survey at Mount Hardy has confirmed the practicality of the EM technique, and highlighted two new high conductance plates that have no drill holes and require further investigation.

EM1 Target

Two areas were highlighted by DHEM modelling that warrant follow-up:

- The lowermost plate modelled from hole 17MHRCDH025, a strong late-time anomaly. The deeper plate modelled from hole 17MHRCDH025 is a long wavelength late-time strong response (1,000 Siemens). It dips at 55 degrees towards 295 degrees and is ~100m wide and 100 to 200m long (there are multiple possible model interpretations); and
- The up-dip position between holes 12MHRC005 and 13MHRCDH010. The uppermost modelled plate corresponds to the best mineralisation seen in the EM1 area. Hole 13MHRCDH010 returned an interval of 21m @ 0.5% Cu, 4.4% Zn, 1.9% Pb and 36g/t Ag (see TNG ASX Release 20 May 2013). There is 150m between this strong mineralisation and the shallow supergene zone outlined from 12MHRC005.

EM2 Target

Holes 17MHRCDH023 and 17MHRCDH029 were surveyed, and modelling was conducted using these data and the information obtained from the 2012/13 DHEM surveys.

Two significant sized plates with high conductance have been modelled. The upper plate has a conductance of 450 Siemens and corresponds closely with the intersected mineralisation.

Holes 12MHRC006, 13MHDDH012, 17MHRCDH023 and 17MHRCDH029 all have mineralisation within 20m of the down-hole pierce point position. This upper plate highlights the success DHEM modelling has had in outlining base metal mineralisation at Mount Hardy.

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More significantly, a large 110m x 200m plate with 1800-2000 Siemens conductance has been modelled below and to the north-east of hole 17MHRCDDH029. This plate dips at 68 degrees towards 310, has the strongest conductance of any modelled plate at Mount Hardy to date, but has not been tested by any drilling.

WALABANBA PROJECT (TRT: 100%)

Todd River has identified a significant pegmatite-hosted lithium target on the Anningie Tin Field, within its 100%-owned Walabanba Project in the Northern Territory, following a successful mapping and sampling program.

Sampling of the numerous pegmatites mapped in the Bismark area returned results with an outstanding maximum grade of **4.63% Li₂O**. The best grade is associated with spodumene-quartz pegmatite and albite-spodumene-quartz pegmatite, confirmed by XRD analysis.

In total, there were 15 rock samples in the area which returned assays of greater than 1% Li₂O, spread over several pegmatite bodies within an area of 350m x 400m. The best lithium results were returned from pegmatite zones hosted by amphibolite and found on the nose of a fold in the bedrock sequence. Broad multi-element support is provided in the lithium-associated elements – Cs, Ta, Sn, and Nb – confirming the LCT-type nature of the host pegmatites.

Historical activity on the Anningie Tin Field was outlined in the Company's ASX announcement of 11 July 2017, namely:

- Historical workings from the 1930s to 1970s focused only on tin (Sn) and Tantalum (Ta).
- Work by the Northern Territory Geological Survey reported in 2005 confirmed that the pegmatites in the area were of the LCT (lithium-caesium-tantalum) type, and they had the most favourable geochemistry of all northern Arunta pegmatites studied.

Initial mapping and sampling was conducted by Todd River's exploration team in July 2017, and reported in August (see ASX announcement – 21 August 2017).

Subsequent work completed in July 2017 included geological mapping at 1:2000 scale over the historical tin mining centres of Bismark and Clarks, soil sampling using a portable-XRF and rock chip sampling of prospective pegmatite units which returned results of up to 4.41% and 4.22% Li₂O with supporting pathfinder elements.

XRD mineralogical analysis was undertaken on a total of 12 rock chip samples from the July 2017 campaign, with analytical results reported in the ASX release of 21 August 2017, identifying the minerals present in the samples and confirming the presence of a high proportion of spodumene in three of the 12 samples.

These pegmatite phases, together with the geochemistry, confirm that all the pegmatites in the Bismark area are of a LCT-Type (Lithium-Cesium-Tantalum type). Both albite-spodumene and complex pegmatite varieties are indicated from the mineralogy.

From an economic point of view, the presence of abundant spodumene in some of the pegmatite phases at Bismark is positive. All pegmatite-hosted lithium mines in Australia have spodumene as the lithium host mineral. Both petalite and lepidolite mica contain significant lithium, but have issues with lithium extraction/processing.

A full overview of the areas mapped and detailed results was provided in the Company's ASX Announcements dated 21 August 2017 and 21 December 2017.

Next Steps

Further mineralogical analyses will be obtained over the coming months, including both XRD mineralogy and petrographic thin-section descriptions, to determine the mineral deportment and grainsize/texture of the lithium species.

These results will be assessed, together with the work from earlier in the year, to allow planning of a program for 2018, which may include drilling.

Drilling Program

Drilling to test four electromagnetic (EM) targets at Walabanba was completed during the reporting period, with six Reverse Circulation holes for 1,290 metres drilled. DHEM surveys were also completed on these holes. No economic assay results were returned from the drill sampling and the DHEM did not outline further conductor plates. This area will be reviewed with the objective of planning further work in 2018.

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STOKES YARD PROJECT (TRT:100%)

Mapping and sampling at the Stokes Yard Project has outlined significant zinc, copper and lead mineralisation at surface.

Soil sampling has delineated a large new 600x400m zinc-copper-lead soil anomaly, with maximum values of 5,690ppm zinc and 2,531ppm lead. The anomaly area returned 22 samples exceeding 250ppm zinc and 21 samples at greater than 100ppm lead, defining a highly anomalous surface geochemical zone predicted to reflect mineralisation at depth.

Rock chip sampling returned further high-grade results, with maximum grades of: 9.72% Pb, 8.86% Zn, 2.96% Cu, and 64 g/t Ag

These results reinforce the outstanding potential of the Stokes Yard Project for high-grade, nearsurface polymetallic base metal mineralisation. Mineralogical and petrographic work is ongoing, however Todd River is in the process of designing further field work and a ground geophysical survey to assist in drill targeting.

SOLDIERS CREEK PROJECT (TRT:100%)

An initial mapping and sampling program was conducted at the Soldiers Creek Project area, located west of Katherine in the Northern Territory, resulting in the delineation of three extensive pegmatite-hosted lithium prospects with very high tin values.

A full overview of the initial program of geological mapping and sampling completed over the three historical tin mining centres, as well as a detailed discussion of the subsequent rock chip sampling program, was provided in the Company's ASX Announcement of 10 November 2017.

The program has outlined three areas of lithium-bearing pegmatites, in an area that has had no previous work focused on lithium. The existing tin mining activity provides a focus and indicates potential size of the lithium-bearing pegmatite system being greater in the vicinity of Colliia. The elevated REE values also suggest that the pegmatites could be of either REE-type or REL-Li type, and offer another avenue for further work.

Additional analyses are awaited (above detection tin samples) and petrographic and mineralogical will be done on the samples obtained during this field program, to confirm the lithium and rare-earth minerals present. Once assessed, follow-up work will be planned for early in the 2018 dry season.

McARTHUR RIVER BASE METALS PROJECT (TRT: 100%)

The McArthur River Project is located 450km south-east of Katherine, within the Mallapunyah, McArthur River and Kiana pastoral stations. Todd River expanded its strategic land-holding in the area during the reporting period by pegging two adjacent licenses, ELAs 31703 and 31704 (*see ASX announcement – 28 September 2017*), increasing the area to 584.32km².

High-Grade Copper Potential – Southern Copper Area

Todd River has outlined a new extensive and highly prospective copper target with results from mapping and sampling in the Southern Copper Area identifying significant copper anomalism in the basal shale unit of the Wollgorang Formation, one of the main prospective geological units.

The Company's exploration team is actively targeting the Wollgorang Formation, which contains both stratiform/stratabound copper (*see TNG ASX Announcement – 9 June 2015*) and zinc-lead-silver mineralisation.

Geological mapping following the Wollgorang Formation, and specifically the lowermost shale sub-unit (Pto1), was completed to the south and west of the trenching area. A total area of 11km² was mapped, with all units cropping out: basement Settlement Creek Dolerite, four mappable sub-units of the Wollgorang Formation, the Gold Creek Volcanics, and the ridge-forming Warramana Sandstone/Masterton Sandstone hangingwall sequence outlined.

The basal shale was followed to the south and west, with 6km of strike outlined. The unit dips to the south and east at very low angle (less than 15 degrees) over much of the southern part of the Mallapunyah Dome, making it a good geophysical target under shallow cover (<200m deep) for large parts of the tenement package. Better definition of the Wollgorang Formation in the south of the Mallapunyah Dome area will assist in the ongoing assessment of the recently acquired SkyTEM data (*see below*).

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Directors' Report

Rock Chip Sampling

A suite of 16 rock samples were submitted for analysis from within the mapping and trenching area. Eight of the samples exceeded 0.5% Cu, with five samples above 20% Cu, and a maximum value of 44.5% Cu.

All anomalous samples have visible malachite, minor chrysocolla and, rarely, chalcocite copper species present, indicating that all are supergene copper carbonate accumulations. The Pto1 basal shale samples have a **Cu-Ag-Bi multi-element association**, with highest results for each element being: **56.7 g/t Ag, and 2350 ppm Bi**. The overlying calcareous unit samples with anomalous copper have a **Cu-As-Mo-Sb-Zn-Pb multi-element association**, with maximum values of:

- **6.3% Cu and 1300 ppm As;**
- **990 ppm Mo and 80 ppm Sb; and**
- **1465ppm Zn and 569ppm Pb.**

A full overview and discussion of the rock chip sampling results was provided in the Company's ASX Announcement of 14 November 2017.

Channel Sampling

A total of 18 shallow trenches/channels were sampled, with the area based on mapping completed in 2015 (see TNG ASX Announcement - 9 June 2015) where rock chip sampling results of up to 48% copper were returned in the lowermost shale unit of the Wollgorang Formation (Pto1). This mapping outlined an area of 1.6 x 1.0km where there were numerous exposures of the Pto1 unit, due to the shallow dipping stratigraphy and breakaways forming in the overlying dolomite (Pto2 unit).

The intent was to quantify the thickness and magnitude (grade) of the copper in the basal shale in the area where it was known to be both anomalous and broadly exposed. A total of 218 channel samples (plus 11 standards) were submitted for ICP base metal analysis. All samples of unit Pto1 were of weathered shale and dolomitic shale/siltstone, with some being taken of clay dominated material – right on the residual soil contact. Dips were measured to allow for determination of true stratigraphic thickness of the channel and the unit sampled. Three of the channels returned values in excess of 1000ppm Cu, summarised below:

Channel	True Thickness	@	Grade
6a	6m	@	0.30% Cu
16	2m	@	0.27% Cu
17	4m	@	0.18% Cu

Note: The thickness above is a calculated true thickness of the shale, based on sample lengths and dip measurements taken in the vicinity.

A full discussion and overview of the channel sampling results was provided in the Company's ASX announcement of 6 December 2017.

SkyTEM Survey

An extensive, state-of-the-art AEM geophysical survey was completed over the McArthur River Project. The survey was designed to cover the extensive existing 25km strike length of copper-zinc geochemical soil anomalism and recent rock chip results (see TNG's ASX announcement – 16 September 2013; TNG ASX announcement – 18 December 2014 and TRT ASX announcement – 14 November 2017).

Interpretation and assessment of the results of the survey was completed during the reporting period, resulting in the identification of multiple strong and extensive base metal targets. The results provide another indication that previously announced surface anomalism could be related to a possible large base-metal target at depth. The Company has based its exploration work to date on this model, which is consistent with other base metal discoveries in this large, under-explored province.

The SkyTEM data provided excellent quality to relatively deep levels (400-500m) below surface and allows for interpretation of conductor units that relate to specific stratigraphic horizons expected to contain base metal sulphides, which would have a moderate to high conductivity response.

The Wollgorang Formation consistently has two moderate to strong conductor units showing in the SkyTEM dataset. These correspond to the lower Wollgorang Formation copper shale horizon and the central Wollgorang Formation ovoid beds unit that has anomalous zinc-lead values.

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Both have surface geochemical anomalism associated with areas of outcrop and residual soils. Drilling by TNG in 2014 (see TNG ASX announcement – 18 December 2014) showed these units to be highly bituminous black shales with abundant very fine sulphides and anomalous zinc (to 0.20% Zn) and copper (to 0.21% Cu).

The interpretation has outlined significant conductors which represent targets for detailed evaluation in 2018. A total of 10 targets were identified with five selected as high priority.

Further modelling of the geophysical targets outlined is on-going. Modelling will better define the targets and allow a clear plan for testing the best ones. Field investigations of the shallow conductors will be conducted early in the 2018 dry season, with drill testing likely to follow.

Full details and discussion of the targets generated by the SkyTEM survey were provided in the ASX Announcement of 20 November 2017.

McArthur River Project – New Tenure

Todd River has applied for two new Exploration Licenses that adjoin its existing McArthur River Project tenure (EL 27711 and 30085), significantly expanding its strategic exploration footprint in this highly prospective zinc-lead province.

The additional tenements will expand its 100%-owned McArthur River Project area to 584.32km², adding 361.04km² and more than doubling the area of its existing granted tenure.

MANBARRUM ZINC-LEAD PROJECT (TRT: 100%)

Todd River has appointed leading mining industry consultants CSA Global to undertake a Conceptual Mining Study on its 100%-owned Manbarrum Zinc-Lead Project, located 70km northeast of Kununurra in the Northern Territory.

The Manbarrum Project was a flagship project for TNG Ltd (ASX: TNG) prior to the discovery of the Mount Peake vanadium-titanium-iron deposit, and is now a key asset for Todd River Resources following the successful spin-off of TNG's base metal assets in 2017.

One of the largest undeveloped zinc projects in Australia, the Manbarrum Project includes the Sandy Creek deposit, which has a Mineral Resource of 22.5Mt @ 1.81% Zn, 0.44% Pb and 4.6g/t Ag, comprising an Indicated Resource of 5.1Mt @ 1.94% Zn, 0.82% Pb and 5.8g/t Ag and Inferred Resource of 17.4Mt @ 1.77% Zn, 0.33% Pb and 4.2g/t Ag, under JORC 2012. Numerous additional targets are located along strike from the Sandy Creek resource on the south-eastern margin of the Bonaparte Basin, including the Djibitgun prospect and the Browns prospect.

The Manbarrum Project is located 70km NE of Kununurra and 40km ENE of the large-scale Sorby Hills Base Metal Project, situated across the Western Australian border. The Sorby Hills deposit also contains a large lead, zinc and silver resource, which presents opportunities to explore synergies with the Manbarrum Zinc-Lead Project.

The purpose of the Conceptual Mining Study is to establish the criteria for a successful development of the Manbarrum Project. CSA Global proposes to explore a range of key project parameters to identify the circumstances required to support the project development and to enable it to be successfully developed. CSA Global has selected a team with considerable experience and technical capabilities to undertake the assignment.

Rover Project – Increased Ownership

Todd River has 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 whollyowned 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.

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Directors' Report

CORPORATE

Executive Recruitment

Todd River Resources has appointed highly experienced mining executive Will Dix as Chief Executive Officer to spearhead the Company's exploration and growth strategy.

Mr Dix, who was most recently Managing Director of zinc explorer Consolidated Zinc Limited (ASX: CZL), will commence in the new role with Todd River effective from 1 February 2018 after completing a management transition period.

During his 3-year tenure at Consolidated Zinc, Mr Dix was successful in building a zinc resource base from which the company completed successful Scoping Studies and now plans to transition into a developer and producer.

Mr Dix is a geologist with 23 years' experience in base metal, gold and uranium exploration and mining. Earlier in his career, he spent seven years with the highly successful international nickel producer LionOre Mining International in a variety of exploration, mining and management roles. During his time with LionOre, Mr Dix was part of the team that discovered the Waterloo Nickel Mine and delineated the two million ounce Thunderbox Gold Project in Western Australia. He remained with LionOre until its US\$4.8 billion takeover by Norilsk Nickel in 2007.

He has a proven track record of successful project and team management and also has extensive experience in commercial activities including capital raisings, mergers, acquisitions and divestments. He holds a Bachelor of Science and Master of Science (Geology) from Monash University and is a member of AusIMM.

Mr Dix will become Todd River's inaugural CEO, following its successful \$6 million IPO and ASX listing in 2017. He will take over executive responsibilities from Technical Director Paul Burton, allowing Mr Burton to continue to focus on his primary role as Managing Director of vanadium developer TNG Limited (ASX: TNG). Mr Burton will remain on the Board as Technical Director.

ATO Class Ruling on in-specie distribution of TRT Shares

During the reporting period, the Australian Taxation Office (ATO) published its Class Ruling on the in-specie distribution of shares in Todd River Resources Limited (TRT) completed on 23 March 2017.

The in-specie distribution was made on the basis of 1 TRT share for every 28.73 TNG shares held on 15 March 2017 (Record Date).

A copy of the Class Ruling (CR 2017/46) was published on the ASX on 27 July 2017.

Lead auditor's independence declaration

The lead auditor's independence declaration is set out on page 12 and forms part of the directors' report for the six months ended 31 December 2017.

Todd River Resources Limited Directors' Report

Rounding off

The company is of a kind referred to in ASIC Corporations (Rounding in Financial / Director's Reports) Instrument 2016/191 and in accordance with that instruments, amounts in the condensed consolidated interim financial statements and director's report have been rounded off to the nearest thousand dollars, unless otherwise stated.

A handwritten signature in blue ink, appearing to be 'P. Burton', with a long horizontal stroke extending to the right.

Paul Burton
Technical Director

13 March 2018



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 review of Todd River Resources Limited for the half-year ended 31 December 2017 there have been:

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

KPMG

Jane Bailey

KPMG

Jane Bailey
Partner

Perth
13 March 2018

Todd River Resources Limited

Half-Year Financial Report

Condensed Consolidated Interim Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 31 December 2017

	Note	December 2017 \$'000	December 2016 \$'000
Corporate and administration expenses		(280)	(244)
Employment expenses		(208)	-
Impairment loss of exploration tenements	7	(141)	-
Results from operating activities		(629)	(244)
Financial income		28	-
Financial expenses		-	-
Net financing income		28	-
Loss before income tax		(601)	(244)
Income tax expense		-	-
Loss for the year attributable to the owners of the Company		(601)	(244)
Other comprehensive income		-	-
Other comprehensive income net of tax		-	-
Total comprehensive loss for the year attributable to the owners of the company		(601)	(244)
Loss per share (cents per share)			
Basic loss per share (cents)		(0.93)	(243,752)
Diluted loss per share (cents)		(0.93)	(243,752)

The condensed consolidated interim statement of profit and loss and other comprehensive income is to be read in conjunction with the notes to the condensed consolidated interim financial statements.

Todd River Resources Limited Half-Year Financial Report

Condensed Consolidated Interim Statement of Financial Position

As at 31 December 2017

	Note	December 2017 \$'000	June 2017 \$'000
Current assets			
Cash and cash equivalents		2,430	4,156
Trade and other receivables		133	163
Prepayments		12	1
Total current assets		2,575	4,320
Non-current assets			
Exploration and evaluation expenditure	7	9,100	8,052
Total non-current assets		9,100	8,052
Total assets		11,675	12,372
Current liabilities			
Trade and other payables		340	444
Provisions		8	-
Total liabilities		348	444
Net Assets		11,327	11,928
Equity			
Issued capital		12,031	12,031
Reserves		195	195
Accumulated losses		(899)	(298)
Total equity		11,327	11,928

The condensed consolidated interim statement of financial position is to be read in conjunction with the notes to the condensed consolidated interim financial statements.

Todd River Resources Limited Half-Year Financial Report

Condensed Consolidated Interim Cash Flow Statement For the six months ended 31 December 2017

	Note	December 2017 \$'000	December 2016 \$'000
Cash flows from operating activities			
Cash payments in the course of operations		(368)	-
Interest received		24	-
Net cash used in operating activities		(344)	-
Cash flows from investing activities			
Payments for exploration and evaluation expenditure		(1,337)	-
Payments for security bonds		(45)	-
Net cash used in investing activities		(1,382)	-
Net increase/(decrease) in cash and cash equivalents			
Cash and cash equivalents at 1 July		4,156	-
Cash and cash equivalents at 31 December		2,430	-

The condensed consolidated interim statement of cash flows is to be read in conjunction with the notes to the condensed consolidated interim financial statements.

Todd River Resources Limited Half-Year Financial Report

Condensed Consolidated Interim Statement of Changes in Equity For the six months ended 31 December 2017

	Issued Capital	Accumulated Loss	Reserves	Total Equity
	\$'000	\$'000	\$'000	\$'000
At 1 July 2016	-	(217)	-	(217)
Net loss for the period	-	(244)	-	(244)
Total comprehensive loss	-	(244)	-	(244)
Transactions with owners recorded directly in equity				
Additional capital contribution by owners	193	-	-	193
Balance at 31 December 2016	193	(461)	-	(268)
At 1 July 2017	12,031	(298)	195	11,928
Net loss for the period	-	(601)	-	(601)
Total comprehensive loss	-	(601)	-	(601)
Transactions with owners recorded directly in equity				
Balance at 31 December 2017	12,031	(899)	195	11,327

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

The condensed consolidated interim statement of changes in equity is to be read in conjunction with the notes to the condensed consolidated interim financial statements.

Todd River Resources Limited

Half-Year Financial Report

Notes to the condensed consolidated interim 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 Suite 20, 22 Railway Road Subiaco, Western Australia 6008. The consolidated financial report as at and for the six months ended 31 December 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 STATEMENT OF COMPLIANCE

The condensed consolidated half-year financial statements have been prepared in accordance with AASB134 Interim Financial Reporting and the Corporations Act 2001.

The condensed consolidated half-year financial report does not include all the information required for a full annual financial report, and should be read in conjunction with the consolidated financial report of the Group as at and for the year ended 30 June 2017.

The consolidated half-year financial report was approved by the Board of Directors on 13 March 2018.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied by the Group in this condensed interim financial report are the same as those applied by the Group in its consolidated financial report as at and for the year ended 30 June 2017.

4. ESTIMATES

The preparation of the interim financial report requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this condensed consolidated interim financial report, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report as at and for the year ended 30 June 2017.

5. 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. Additional sources of funding available to the Group include capital raising from new or existing shareholders, or through farm-in or similar arrangements.

If necessary the Group can delay exploration expenditures and directors can also institute cost saving measures to further reduce corporate and administrative costs or explore divestment opportunities.

The Directors have reviewed the Group's overall financial position and are of the opinion that the use of the going concern basis of accounting is appropriate as they believe the Group has sufficient funds available for at least 12 months and when required will be able to raise further funding.

6. SEGMENT INFORMATION

The Board determined that the Group has one reportable segment, being mineral exploration in Australia, consequently the Group does not report segmented operations.

Todd River Resources Limited

Half-Year Financial Report

Notes to the condensed consolidated interim financial statements

7. EXPLORATION AND EVALUATION EXPENDITURE

Cost	31 December 2017 6 months \$,000	30 June 2017 12 months \$,000
Balance at the beginning of the period	8,052	1,052
Exploration and evaluation expenditure	1,189	-
Impairment	(141)	-
Exploration assets purchased from TNG	-	7,000
Balance at the end of the period	9,100	8,052

The ultimate recoupment of costs carried forward for exploration and evaluation phases is dependent on the successful development and commercial exploitation or sale of the respective areas. At balance date the carrying amount of exploration and evaluation expenditure was \$9,099,948. As at 31 December 2017, management performed an impairment assessment and recognised an impairment loss of \$141,192 for the current six months period.

8. SUBSEQUENT EVENTS

On 1st February 2018 Mr. William Dix has commenced as Chief Executive Officer. The Company has agreed to offer Mr. Dix, One million options on the same terms and conditions as set out in section 15.3 of the company's prospectus dated 31 January 2017, except that the options will be unquoted and the exercise price will be \$0.30 each. The company has also agreed to grant the employee, one million options subject to completion of milestones under the terms of the Company's employee incentive option plan.

Other than as mentioned above, or elsewhere in this report, financial statements or notes thereto, at the date of this report there are no other matters or circumstances which have arisen since 31 December 2017 that have significantly affected or may significantly affect:

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

Todd River Resources Limited Half-Year Financial Report

In the opinion of the directors of Todd River Resources Limited (the "Company"):

1. the condensed consolidated financial statements and notes set out on pages 13 to 18, are in accordance with the Corporations Act 2001, including:
 - (a) Giving a true and fair view of the financial position of the Group as at 31 December 2017 and its performance, for the six months ended on that date; and
 - (b) Complying with the Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001; and
2. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with the resolution of the directors:



Paul Burton
Technical Director

Dated 13 March 2018

Todd River Resources Limited

Half-Year Financial Report

Regulatory disclosure

COMPETENT PERSON'S STATEMENTS

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

- "Walabanba Drilling Programme Commences" lodged on 11 July 2017
- "Mt Hardy Drilling Results Shows Significant Potential" lodged on 10 August 2017
- "Stokes Yard Prospect High Grade Cu/Zn/Pb Potential Amended" lodged on 30 August 2017
- "Exploration Footprint Expanded at McArthur River" lodged on 28 September 2017
- "Widespread Li Sn Pegmatites at Soldiers Creek Lodged" on 10 November 2017
- "High Grade Copper results at McArthur River Lodged" on 14 November 2017
- "Large Electromagnetic targets delineated McArthur Project" lodged on 20 November 2017
- "Significant Channel Sample Results at McArthur Project" Lodged on 6 December 2017
- "High Grade Lithium results Lodged" on 21 December 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 original market announcements. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

The information in this announcement 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.



Independent Auditor's Review Report

To the shareholders of Todd River Resources Limited

Report on the Half-year Financial Report

Conclusion

We have reviewed the accompanying **Half-year Financial Report** of Todd River Resources Limited.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Half-year Financial Report of Todd River Resources Limited is not in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the **Group's** financial position as at 31 December 2017 and of its performance for the half-year ended on that date; and
- complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

The **Half-year Financial Report** comprises:

- Condensed consolidated statement of financial position as at 31 December 2017
- Condensed consolidated statement of profit or loss and other comprehensive income, Condensed consolidated statement of changes in equity and Condensed consolidated statement of cash flows for the half-year ended on that date
- Notes 1 to 8 comprising a summary of significant accounting policies and other explanatory information
- The Directors' Declaration.

The **Group** comprises Todd River Resources Limited (the Company) and the entities it controlled at the half year's end or from time to time during the half-year.

Responsibilities of the Directors for the Half-year Financial Report

The Directors of the Company are responsible for:

- the preparation of the Half-year Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*
- for such internal control as the Directors determine is necessary to enable the preparation of the Half-year Financial Report that is free from material misstatement, whether due to fraud or error.



Auditor's responsibility for the review of the Half-year Financial Report

Our responsibility is to express a conclusion on the Half-year Financial Report based on our review. We conducted our review in accordance with *Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the Half-year Financial Report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2017 and its performance for the half-year ended on that date; and complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of Todd River Resources Limited, *ASRE 2410* requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a Half-year Financial Report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with *Australian Auditing Standards* and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

KPMG

Jane Bailey

KPMG

Jane Bailey
Partner

Perth
13 March 2018