



TODD RIVER

RESOURCES

ABN: 45 600 308 398

**HALF-YEAR
FINANCIAL REPORT
31 DECEMBER 2018**

Todd River Resources Corporate Directory

DIRECTORS

Edward Fry (Chairman)
William Dix (Managing Director)
Geoffrey Crow (Non-Executive Director)
Mark Bennett (Non-Executive Director)

COMPANY SECRETARY

Simon Robertson

REGISTERED OFFICE

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SHARE REGISTRY

Computershare Investor Services Pty Limited
Level 11
172 St Georges Terrace
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Telephone: (08) 9323 2000
Facsimile: (08) 9323 2033

AUDITORS

HLB Mann Judd
Level 4
130 Stirling Street
Perth, WA 6000

SECURITIES 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 ("TRT") and of the Group, being the Company and its subsidiary for the financial half year ended 31 December 2018 and the auditor's report thereon.

DIRECTORS

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

Edward Fry	(Chairman)
William Dix	(Managing Director – appointed 30 November 2018)
Paul Burton	(Technical Director – resigned 24 January 2019)
Geoffrey Crow	(Non-Executive Director)
Rex Turkington	(Non-Executive Director – resigned 15 February 2019)
Mark Bennett	(Non-Executive Director – appointed 30 November 2018)

PRINCIPAL ACTIVITIES

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

REVIEW OF OPERATIONS

Operating Result

The loss from continuing operations for the half year ended 31 December 2018 after providing for income tax amounted to \$1,365,000 (2017: \$601,000).

The loss results from \$394,000 of corporate and administration costs, \$885,000 of employment expenses that includes \$549,000 of share based payments, \$132,000 of exploration assets impaired, \$46,000 of other and financial income.

For the half year ended 31 December 2018, the Company capitalised \$2,167,000 (2017 : \$1,189,000) of exploration expenditure.

Dividends

No dividends were paid or proposed to be paid to members during the half year ended 31 December 2018.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

On 4 July 2018, TRT issued 11,975,031 shares at an issue price of \$0.09 per share raising \$1,077,753 before costs. The issue of shares was due to the completion of a capital raising as per the ASX announcement on 27 June 2018.

On 10 September 2018, TRT announced a placement with sophisticated investors and a 1-for-2 non-renounceable pro-rata Entitlement Offer to be launched to raise approximately \$3.2 million. On 18 September 2018 and 23 October 2018, TRT issued shares to sophisticated investors of 4,270,000 and 8,230,000 respectively at \$0.08 per share raising a total of \$1,000,000 before costs. On 18 September 2018 and 23 October 2018, TRT issued shares as per the non-renounceable Entitlement Offer of 40,623,816 and 4,912,808 respectively at \$0.08 per share raising a total of \$3,642,930.

On 20 November 2018, TRT announced S2 Resources Ltd (ASX:S2R) would have a strategic stake of 19.99% in the Company. The transaction completed on 30 November 2018. Also as part of the subscription agreement between the Company and S2 Resources Ltd, Mark Bennett was appointed as Non-Executive Director of the Company.

On 30 November 2018, TRT issued 35,711,008 shares at an issue price of \$0.08 per share totalling \$2,856,881 as per the non-renounceable Entitlement Offer which included 8,927,700 shares issued to S2R. On the same day, the Company issued shares of 21,346,800 shares at \$0.094 per share to S2R totalling \$2,006,599. The total S2R investment for the half year ended 31 December 2018 was \$2,720,815.

After Balance Date Events

There have been no matter or circumstance that has arisen since 31 December 2018 that has significantly affected, or may significantly affect:

- the Group's operations in future financial years; or
- the result of those operations in future financial years; or
- the Group's state of affairs in future financial years.

Todd River Resources Limited

Directors' Report

Lead auditor's independence declaration

The lead auditor's independence declaration is set out on page 14 and forms part of the directors' report for the six months ended 31 December 2018.

Rounding off

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



William Dix
Managing Director

1 March 2019

Todd River Resources Limited

Half-Year Financial Report

Condensed Consolidated Statement of Comprehensive Income

For the six months ended 31 December 2018

	Note	31 December 2018 \$'000	31 December 2017 \$'000
Other Income		28	-
Total Income		28	-
Corporate and administration expenses		(394)	(280)
Employment expenses	10	(885)	(208)
Impairment loss on exploration tenements	8	(132)	(141)
Results from operating activities		(1,383)	(629)
Financial income		18	28
Financial expenses		-	-
Net financing income		18	28
Loss before income tax		(1,365)	(601)
Income tax expense		-	-
Loss for the year attributable to the owners of the Company		(1,365)	(601)
Other comprehensive income		-	-
Other comprehensive income net of tax		-	-
Total comprehensive loss for the year attributable to the owners of the company		(1,365)	(601)
Loss per share (cents per share)			
Basic loss per share (cents)		(1.46)	(0.93)
Diluted loss per share (cents)		(1.46)	(0.93)

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

Todd River Resources Limited

Half-Year Financial Report

Condensed Consolidated Statement of Financial Position

As at 31 December 2018

	Note	31 December 2018 \$'000	30 June 2018 \$'000
Current assets			
Cash and cash equivalents		4,689	1,241
Trade and other receivables		358	167
Prepayments		38	11
Total current assets		5,085	1,419
Non-current assets			
Plant and equipment		26	5
Exploration and evaluation expenditure	8	11,867	9,832
Total non-current assets		11,893	9,837
Total assets		16,978	11,256
Current liabilities			
Trade and other payables		464	672
Provisions		22	10
Total current liabilities		486	682
Total liabilities		486	682
Net assets		16,492	10,574
Equity			
Issued capital		18,847	12,172
Reserves		803	195
Accumulated losses		(3,158)	(1,793)
Total equity		16,492	10,574

The condensed consolidated 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 Statement of Cash Flows For the six months ended 31 December 2018

	Note	31 December 2018 \$'000	31 December 2017 \$'000
Cash flows from operating activities			
Cash payments in the course of operations		(858)	(368)
Interest received		10	24
Net cash used in operating activities		(848)	(344)
Cash flows from investing activities			
Payments for plant and equipment		(23)	-
Payments for exploration and evaluation expenditure		(2,264)	(1,337)
Payments for security bonds		(92)	(45)
Net cash used in investing activities		(2,379)	(1,382)
Cash flows from financing activities			
Proceeds from issue of shares	9	7,194	-
Share issue costs	9	(519)	-
Net cash provided by financing activities		6,675	-
Net increase/(decrease) in cash and cash equivalents			
Cash and cash equivalents at 1 July		1,241	4,156
Cash and cash equivalents at 31 December		4,689	2,430

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

Todd River Resources Limited Half-Year Financial Report

Condensed Consolidated Statement of Changes in Equity For the six months ended 31 December 2018

	Issued Capital	Accumulated Losses	Reserves	Total Equity
	\$'000	\$'000	\$'000	\$'000
At 1 July 2017	12,031	(298)	195	11,928
Net loss for the period	-	(601)	-	(601)
Total comprehensive loss	-	(601)	-	(601)
Balance at 31 December 2017	12,031	(899)	195	11,327
At 1 July 2018	12,172	(1,793)	195	10,574
Net loss for the period	-	(1,365)	-	(1,365)
Total comprehensive loss	-	(1,365)	-	(1,365)
Transactions with owners recorded directly in equity				
Share placement	7,194	-	-	7,194
Share issue costs	(519)	-	-	(519)
Share based payments expense	-	-	563	563
Additional capital contribution by owners	-	-	45	45
Balance at 31 December 2018	18,847	(3,158)	803	16,492

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

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

Todd River Resources Limited

Half-Year Financial Report

Notes to the condensed consolidated 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 North Wing, Level 2, 1 Manning Street, Scarborough Western Australia 6019. The consolidated financial report as at and for the six months ended 31 December 2018 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 AASB 134 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 2018.

The consolidated half-year financial report was approved by the Board of Directors on 1 March 2019.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied by the Group in this condensed consolidated 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 2018, except for the impact of the new standards and interpretations effective 1 July 2018 as disclosed in Note 7.

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 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 2018, except for the impact of the new standards and interpretations effective 1 July 2018 as disclosed in Note 7.

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.

Todd River Resources Limited

Half-Year Financial Report

Notes to the condensed consolidated financial statements

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.

7. Adoption of the New and Revised Accounting Standards

Standards and Interpretations applicable to 31 December 2018

In the period ended 31 December 2018, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Company and effective for the current reporting period beginning on or after 1 July 2018. As a result of this review, the Directors have determined that there is no material impact of the application of AASB 9 or AASB 15 and no material change is necessary to Group accounting policies or comparative results.

Standards and Interpretations in issue not yet adopted

The Directors have also reviewed all of the new and revised Standards and Interpretations in issue not yet adopted for the half year ended 31 December 2018. As a result of this review, the Directors have determined that there is no material impact of the standards and interpretations in issue not yet adopted on the Group and therefore, no change is necessary to Group accounting policies.

8. EXPLORATION AND EVALUATION EXPENDITURE

Cost	31 December 2018 6 months \$'000	30 June 2018 12 months \$'000
Balance at the beginning of the period	9,832	8,052
Exploration and evaluation expenditure incurred	2,167	2,217
Impairment	(132)	(437)
Balance at the end of the period	11,867	9,832

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 \$11,867,374. As at 31 December 2018, management performed an impairment assessment and recognised an impairment loss of \$132,111 for the current six month period, in relation to relinquished tenements.

Todd River Resources Limited

Half-Year Financial Report

Notes to the condensed consolidated financial statements

9. ISSUED CAPITAL

	31 December 2018 6 months \$'000	30 June 2018 12 months \$'000
Issued and paid-up share capital	18,847	12,172

Movements in shares on issue

	31 December 2018 6 months		30 June 2018 12 months	
	Number	\$'000	Number	\$'000
Balance at the beginning of year	65,000,100	12,172	65,000,100	12,031
Share placement	86,448,147	7,194	-	-
Prepaid Capital Contribution	-	-	-	141
Share issue costs	-	(519)	-	-
Balance at end of the period	151,448,247	18,847	65,000,100	12,172

10. SHARE BASED PAYMENTS

Options issued to directors and other management personnel

Issue no.	Grant Date	Expiry Date	Exercise Price	Number	
				31 December 2018	31 December 2017
1	2 November 2018	4 November 2021	\$0.131	10,000,000	-
2	2 November 2018	7 November 2021	\$0.134	1,000,000	-

Issue 1 – 2,000,000 options were issued to each of the following: Mr Edward Fry, Mr Paul Burton, Mr Rex Turkington, Mr Geoffrey Crow and Mr William Dix.

Issue 2 – 1,000,000 options were issued to Mr Simon Robertson.

Options issued to directors and key management personnel. The options have no vesting conditions and are exercisable immediately from grant date.

Employee expenses

	31 December 2018 6 months \$'000	31 December 2017 6 months \$'000
Expense related to options issued in current period	549	-
Prior period adjustments	14	-
	563	-

Todd River Resources Limited

Half-Year Financial Report

Notes to the condensed consolidated financial statements

10. SHARE BASED PAYMENTS (CONTINUED)

The following inputs were used in the measurement of the fair values of options issued during the current period using the Black-Scholes option pricing model:

	Issue 1	Issue 2
Dividend yield	-	-
Share price at date of grant	\$0.09	\$0.09
Exercise price	\$0.131	\$0.134
Volatility	100%	100%
Risk free rate	2.1%	2.1%
Expiration date	04 Nov 2021	07 Nov 2021
Valuation per option	\$0.050	\$0.049
Total value	\$500,000	\$49,000

The expected volatility reflects the assumption that the historical volatility is indicative of future trends which may also not necessarily be the actual outcome.

11. FINANCIAL INSTRUMENTS

The Directors consider that the carrying values of the financial assets and financial liabilities in the condensed consolidated statement of financial position approximate their fair values.

12. CONTINGENCIES

The details and estimated maximum amounts of contingent liabilities that may become payable are set out below. 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.

	31 December 2018	30 June 2018
	6 months \$'000	12 months \$'000
Balance at the beginning of the year	76	27
A guarantee has been provided to support unconditional environmental performance bonds	92	49
Total estimated contingent liabilities	168	76

The Group has a security deposit of \$90,000 representing bank guarantees for credit card purchases and \$77,681 for various tenements paid to the Department of Primary Industry and Resources.

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 31 December 2018.

13. SUBSEQUENT EVENTS

At the date of this report there are no matters or circumstances which have arisen since 31 December 2018 that have significantly affected or may significantly affect:

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

Todd River Resources Limited Half-Year Financial Report

1. In the opinion of the directors of Todd River Resources Limited (the "Company"):
 - (a) the condensed consolidated financial statements and notes set out on pages 5 to 12, are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the Group's financial position as at 31 December 2018 and of its performance, for the six months ended on that date; and
 - (ii) complying with Australian 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.
 - (c) the financial statements and notes thereto are in accordance with the International Financial Reporting Standards issued by the International Accounting Standards Board.
2. This declaration has been made after receiving the declarations required to be made to the directors in accordance with Section 303 (5) of the Corporations Act 2001 for the half year ended 31 December 2018.

Signed in accordance with the resolution of the Directors:



William Dix
Managing Director

Dated 1 March 2019

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the consolidated financial report of Todd River Resources Limited for the half-year ended 31 December 2018, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

Perth, Western Australia
1 March 2019



L Di Giallonardo
Partner

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Todd River Resources Limited

Report on the Condensed Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Todd River Resources Limited ("the company") which comprises the condensed consolidated statement of financial position as at 31 December 2018, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory notes, and the directors' declaration, for the Group comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

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:

- (a) giving a true and fair view of the Group's financial position as at 31 December 2018 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Directors' responsibility 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* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

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 2018 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the company, 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.

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Independence

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

HLB Mann Judd

**HLB Mann Judd
Chartered Accountants**

**Perth, Western Australia
1 March 2019**



**L Di Giallonardo
Partner**