TODD RIVER RESOURCES

ABN: 45 600 308 398

FINANCIAL REPORT 2019

Todd River Resources Corporate Directory

DIRECTORS

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

COMPANY SECRETARY

Simon Robertson

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Osborne Park Western Australia 6017

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SHARE REGISTRY
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Perth Western Australia 6000

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Perth WA 6000

DOMESTIC STOCK EXCHANGE
Australian Securities Exchange (ASX)
Code: TRT

CONTENTS

Directors' Report

The Directors present their report together with the financial report of Todd River Resources Limited ("the Company" or "TRT") and of the Group, being the Company and its subsidiary for the financial year ended 30 June 2019 and the auditor's report thereon.

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

Edward Fry
William Dix (appointed as Managing Director on 30 November 2018)
Mark Bennett (appointed as Non-executive director on 30 November 2018)
Geoffrey Crow
Paul Burton (resigned 24 January 2019)
Rex Turkington (resigned 15 February 2019)

PRINCIPAL ACTIVITIES

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

DIVIDENDS

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

REVIEW AND RESULTS OF OPERATIONS

The operating loss of the Group after income tax for the year was $2,074,239 (2018: loss $1,554,573). The Group had cash costs of $4,764,857 during the year (2018: $2,242,017) on exploration and evaluation expenditure and had a 30 June 2019 closing cash balance of $1,457,469 (2018 $1,240,631).

SIGNIFICANT CHANGE IN 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, $140,673 was received in financial year ended 30 June 2018 and the remaining funds of $937,080 was received in July 2018). The issue of shares was due to the completion of a capital raising as per the ASX annoucement 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 of 4,270,000 and 4,912,808 respectively at $0.08 per share raising a total of $732,053 before costs.

On 8 November 2018, TRT issued 8,230,000 shares at an issue price of $0.08 per share raising $658,400 (before costs).

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 57,057,808 shares at an average issue price of $0.0852 per share totalling $4,866,052 as per the non-renounceable Entitlement Offer which included 30,274,500 shares issued to S2R.

EVENTS SUBSEQUENT TO REPORTING DATE

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

On 2 September 2019, TRT announced that it would be raising funds of approximately $2.9 million consisting of:

- a placement to new and existing sophisticated and institutional investors to raise up to $1,000,000 (before costs); and
- a 1-for-3 underwritten non-renounceable pro-rata Entitlement Offer to raise up to a further approximately $1.9 million (before costs).

On 10 September 2019, TRT announced the completion of the placement and issued 32,259,000 shares at an issue price of $0.031 per share raising $1,000,000 (before costs). The closing date for the Entitlement Offer is 24 September 2019.

EVENTS SUBSEQUENT TO REPORTING DATE (CONTINUED)

There have been no other matters or circumstances which have arisen since 30 June 2019 that have significantly affected or may significantly affect:

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

LIKELY DEVELOPMENTS

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

ENVIRONMENTAL REGULATIONS

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

INFORMATION ON DIRECTORS

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

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

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

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

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

Other Current Directorships
Mr Fry has no directorships of other public listed companies.

Former Directorships in the Last Three Years
Mr Fry has had no directorships of any other public listed company in the last three years.

Number of interests in shares and options held in Todd River Resources Ltd
Options 4,000,000
Shares 34,804

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

Other Current Directorships
Non-Executive Director of Ironridge Resources Ltd since 1 February 2013.
Non-Executive Director of Lake Resources NL since 14 November 2016.

Former Directorships in the Last Three Years
Non-Executive Director of Bryah Resources Limited from 13 January 2017 to 15 November 2017.
Non-Executive Director of TNG Limited from 24 February 2011 to 30 May 2018.

Number of interests in shares and options held in Todd River Resources Ltd
Options 4,686,945
Shares 246,212

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

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

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

Positions held include various technical, operational, executive and board positions including Managing Director, Chief Executive Officer, Executive Director, Non-executive director, Exploration Manager and Chief Geologist. Dr Bennett is a two times winner of the Association of Mining and Exploration Companies "Prospector Award" for his discoveries which include the Thunderbox Gold Mine, the Waterloo nickel mine and most recently the world class Nova-Bollinger nickel-copper mine. In addition to his technical expertise, Dr Bennett is very experienced in corporate affairs, equity capital markets, investor relations and community engagement and has led Sirius from prior to the discovery of Nova all the way through feasibility, financing, permitting and construction, and latterly through the schemes of arrangement to merge with Independence and to demerge S2.

Other Current Directorships
Managing Director of S2 Resources Ltd since 15 October 2015.

Former Directorships in the Last Three Years
Dr Bennett has had no directorships of any other public listed company in the last three years.

Number of interests in shares and options held in Todd River Resources Ltd
Options Nil
Shares 1,644,000

William Dix, BSc, MSc, MAusIMM
Managing Director
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.

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

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

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

Former Directorships in the Last Three Years
Managing Director of Consolidated Zinc Limited from 29 May 2015 to 8 January 2018.

Number of interests in shares and options held in Todd River Resources Ltd
Options 4,000,000
Shares 293,803

Mr Paul Burton, B.Sc (Hons) Geology (Plymouth,UK), M.Sc Mineral Exploration (McGill, Canada), MAusIMM, FAEG, GAICD, MCIMMP (Canada), MIoD (London)
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.

Mr Burton is 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, a Master degree in Mineral Exploration and Mining from McGill University in Canada, 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, a Graduate of the Australian Institute of Directors and a Member of the British Institute of Directors.

Mr Burton had resigned as Technical Director of Todd River Resources Ltd on 24 January 2019.

Other Current Directorships
Managing Director of TNG Limited since August 2008.

Former Directorships in the Last Three Years
Mr Burton has had no directorships of any other public listed company in the last three years.

Number of interests in shares and options held in Todd River Resources Ltd
Options 6,000,000
Shares 463,730

Rex Turkington, BCom(Hons), BCA, GAICD, AAFSI, ADA1(ASX)
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. and Chairman of Key Petroleum.

Mr Turkington had resigned as Director of Todd River Resources Ltd on 15 February 2019.

Other Current Directorships
Non-Executive Chairman of Key Petroleum Limited since 18 July 2012.

Former Directorships in the Last Three Years
Non-Executive Director of TNG Limited from 28 November 2011 to 31 March 2019.

Number of interests in shares and options held in Todd River Resources Ltd
Options 4,050,000
Shares 410,578

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

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

DIRECTORS MEETINGS

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

Director	Number of board meetings held during the time the Director held office	Number of board meetings attended
Edward Fry	9	9
Paul Burton	6	5
Geoffrey Crow	9	9
Rex Turkington	6	6
Mark Bennett	4	4
William Dix	4	4

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*.

INSURANCE PREMIUMS

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

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

OPTIONS

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

Unlisted options

Number	Grant Date	Expiry Date	Exercise price $
11,500,000	22 Mar 2017*	22 Mar 2020	$0.30
1,000,000	1 May 2018	22 Mar 2020	$0.30
1,000,000	1 May 2018	1 May 2021	$0.175
10,000,000	5 Nov 2018	4 Nov 2021	$0.131
1,000,000	8 Nov 2018	7 Nov 2021	$0.134

Listed options

Number	Grant Date	Expiry Date	Exercise price $
24,485,016	6 Apr 2017*	22 Mar 2020	$0.25

*10,000,000 unlisted options and 3,500,000 listed options were released from escrow on 6 April 2019.

Directors' Report

REMUNERATION REPORT - Audited

1. Principles of Remuneration

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

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

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

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

The Board policy is to remunerate Directors and senior executives at market rates for comparable companies for time, commitment and responsibilities. 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. Senior executive compensation are also reviewed on promotion.

Performance linked compensation

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

Short-term incentive bonus

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

Options

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

Non-executive directors

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

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

Directors' Report

Service Contracts

Edward Fry – Non-Executive Chairman

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

William Dix – Managing Director

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

Geoffrey Crow – Non-Executive Director

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

Mark Bennett – Non-Executive Director

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

Paul Burton – Technical Director

- Term of Agreement –24th June 2014 until terminated by either party.
- Director's Fees - $75,000 per annum excluding super plus any expense incurred.
- Mr Burton's fees were paid to 1664 Pty Ltd, a related entity of Mr Burton.
- Termination of Agreement – no notice period applicable. Mr Burton resigned as Technical Director of Todd River Resources on 24 January 2019.

Rex Turkington – Non-Executive Director

- Term of Agreement – 6th April 2017 until terminated by either party.
- Directors Fee's - $60,000 per annum excluding super plus any expense incurred.
- Mr Turkington's fees were paid to Katarina Corporation Pty Ltd, a related entity of Mr Turkington.
- Termination of Agreement – no notice period applicable. Mr Turkington resigned as Non-Executive Director of the Company on 15 February 2019.

Simon Robertson – Company Secretary

- Term of Agreement – 6th April 2017 until terminated by either party.
- Consulting Fee - $4,666 per month excluding GST is paid to SLR consulting Pty Ltd a related entity of Mr Robertson.
- $10,000 (inclusive of Superannuation) per annum will be paid to Mr Robertson as an employee for holding the Company Secretarial position.
- During the year $2,100 was paid to SLR Consulting Pty Ltd for CFO services.
- Termination of Agreement – 3 months written notice

Su-Mei Sain – Chief Financial Officer

- Mrs Sain is a consultant to the Company through a shared services agreement with S2 Resources Ltd ("S2R") and her fees are paid by the Company at an hourly rate.
- Termination of services – Mrs Sain's services can be terminated by S2R or the Company effectively immediately if Ms Sain or any employee of S2R or the Company conducts a material breach of the provisions within the shared services agreement.

2. Key Management Personnel remuneration

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

Key Management Personnel Remuneration for the year ended 30 June 2019

Consolidated

Directors		Salary & Fees[1] $	Superannuation $	Annual leave accrued $	Options granted $	Total $	LTI% of remuneration
Edward Fry[2]	2019	84,500	-	-	100,000	184,500	54%
	2018	80,000	-	-	-	80,000	-
William Dix[3]	2019	284,885	25,000	12,577	113,500	435,962	26%
	2018	111,115	10,556	8,547	59,000	180,671	33%
Geoffrey Crow	2019	60,000	-	-	100,000	160,000	63%
	2018	60,000	-	-	-	60,000	-
Mark Bennett[4]	2019	32,192	3,058	-	-	35,250	-
	2018	-	-	-	-	-	-
Paul Burton[5]	2019	42,431	-	-	100,000	142,431	70%
	2018	75,000	-	-	-	75,000	-
Rex Turkington[6]	2019	37,500	-	-	100,000	137,500	73%
	2018	79,969[1]	-		-	79,969	-
Simon Robertson[7]	2019	79,008	801	-	49,000	128,809	38%
	2018	67,232	868	-	-	68,100	-
Su-Mei Sain[8]	2019	16,396	-	-	-	16,396	-
	2018	-	-	-	-	-	-
Total	2019	636,912	28,859	12,577	562,500	1,240,848	
	2018	473,316	11,424	8,547	59,000	552,287	

1. Includes consulting fees.
2. During the year ended 30 June 2019, $4,500 was paid to Gimulki Resources Pty Ltd, a related entity of Mr Fry.
3. Appointed as Managing Director on 30 November 2018. Please note $13,500 of the total options issued to Mr Dix was in relation to a valuation adjustment to options issued in the prior period. This adjustment was to correct the share based payments expense for the financial year ended 30 June 2018 and is not material to require reinstatement of the prior period.
4. Appointed as Non-Executive Director on 30 November 2018.
5. Resigned as Technical Director on 24 January 2019.
6. Resigned as Non-Executive Director on 15 February 2019.
7. During the year ended 30 June 2019, $70,578 was paid to SLR Consulting Pty Ltd as per the administrative services agreement with the Company.
8. Mrs Sain was appointed Chief Financial Officer of the Company on 5 March 2019.

3. Shares and options granted as part of remuneration

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

4. Exercise of options granted as compensation

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

5. Analysis of options over equity instruments granted as compensation

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 2019	Grant date	Fair value per option at grant date ($)	Exercise price per option	Expiry date	Number of options exercisable as at 30 June 2019
Edward Fry	2,000,000	5/11/2018	$0.05	$0.131	4 Nov 2021	2,000,000
Will Dix	2,000,000	5/11/2018	$0.05	$0.131	4 Nov 2021	2,000,000
Geoffrey Crow	2,000,000	5/11/2018	$0.05	$0.131	4 Nov 2021	2,000,000
Paul Burton	2,000,000	5/11/2018	$0.05	$0.131	4 Nov 2021	2,000,000
Rex Turkington	2,000,000	5/11/2018	$0.05	$0.131	4 Nov 2021	2,000,000
Simon Robertson	1,000,000	8/11/2018	$0.049	$0.134	7 Nov 2021	1,000,000

The assumptions used in the valuation of these options are set out in Note 19 of the financial report. No options have been granted since the end of the financial year.

Analysis of movements in options

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

Key Management Personnel	Granted in year $ (a)	Value of options exercised in year $
Edward Fry	100,000	-
Will Dix*	113,500	-
Geoffrey Crow	100,000	-
Paul Burton	100,000	-
Rex Turkington	100,000	-
Simon Robertson	49,000	-
	562,500	

* Please note $13,500 of the total options issued to Mr Dix was in relation to a valuation adjustment to options issued in the prior period. This adjustment was to correct the share based payments expense for the financial year ended 30 June 2018 and is not material to require reinstatement of the prior period.

(a) The value of options granted in the year is the fair value of the options calculated at grant date using the Black-Scholes options-pricing model with inputs as disclosed in Note 19 of the financial report. The total value of the options granted is included in the table above. The amount is allocated to remuneration over the vesting periods. The options vested on grant date.

6. 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 2018	Unlisted options granted as remuneration	Listed options purchased	Expired	Exercised	Other changes during the year*	Total
Edward Fry	2,000,000	2,000,000	-	-	-	-	4,000,000
William Dix	2,000,000	2,000,000	-	-	-	-	4,000,000
Mark Bennett	-	-	-	-	-	-	-
Geoffrey Crow	2,000,000	2,000,000	686,945	-	-	-	4,686,945
Paul Burton	4,000,000	2,000,000	-	-	-	(6,000,000)	-
Rex Turkington	2,050,000	2,000,000	-	-	-	(4,050,000)	-
Simon Robertson	1,500,000	1,000,000	-	-	-	-	2,500,000
Su-Mei Sain	-	-	-	-	-	-	-
	13,550,000	11,000,000	686,945	-	-	(10,050,000)	15,186,945

*During the year ended 30 June 2019, Mr Burton and Mr Turkington resigned as directors of the Company therefore the table above reflects the option holdings for directors in office as at 30 June 2019.
The total number of options held at 30 June 2019 of 25,236,945 are vested and exercisable as at 30 June 2019.

Options granted to directors and officers of the company

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

9. Movements in shares

Key Management Personnel	Held at 01 July 2018	Purchases	Received on exercise of options	Sales	Other*	Held at 30 June 2019
Edward Fry	34,804	-	-	-	-	34,804
William Dix	168,803	125,000	-	-	-	293,803
Mark Bennett	-	1,644,000	-	-	-	1,644,000
Geoffrey Crow	246,212	-	-	-	-	246,212
Paul Burton	463,730	-	-	-	(463,730)	-
Rex Turkington	378,400	32,178	-	-	(410,578)	-
Simon Robertson	78,527	38,937	-	-	-	117,464
Su-Mei Sain	-	-	-	-	-	-
	1,370,476	1,840,115	-	-	(874,308)	2,336,283

*During the year ended 30 June 2019, Mr Burton and Mr Turkington resigned as directors of the Company therefore the table above reflects the option holdings for directors in office as at 30 June 2019.

The audited remuneration report ends here.

Directors' Report

DIRECTORS' INTERESTS

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

Directors	Ordinary Shares	Options over Ordinary Shares
Edward Fry	34,804	4,000,000
Mark Bennett	1,644,000	-
Geoffrey Crow	246,212	4,686,945
William Dix	293,803	4,000,000
Paul Burton	463,730	6,000,000
Rex Turkington	410,578	4,050,000
Simon Robertson	117,464	2,500,000

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.

NON-AUDIT SERVICES

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

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration is included on page 34 of the financial report and forms part of the Directors' report for the financial year ended 30 June 2019.

Signed in accordance with a resolution of the Directors.

William Dix
Managing Director
17 September 2019

Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2019

	Note	2019 $	2018 $
Other income		31,643	24,886
Total income		31,643	24,886
Corporate and administration expenses	5(c)	(827,693)	(635,154)
Employment expenses	5(d)	(1,120,491)	(547,673)
Depreciation		(15,082)	(592)
Impairment loss on exploration expenditure capitalised	5(b)	(186,752)	(437,569)
Results from operating activities		(2,118,375)	(1,596,102)
Financial income	5(a)	45,210	42,095
Financial expenses	5(a)	(1,074)	(566)
Net financing income		44,136	41,529
Loss before income tax		(2,074,239)	(1,554,573)
Income tax expense	7	-	-
Loss for the year attributable to the owners of the Company		(2,074,239)	(1,554,573)
Other comprehensive income		-	-
Total comprehensive loss for the year attributable to the owners of the company		(2,074,239)	(1,554,573)
Loss per share (cents per share)			
Basic and diluted loss per share (cents)	8	(1.70)	(2.39)

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 2019

	Note	2019 $	2018 $
Current assets			
Cash and cash equivalents	10	1,457,469	1,240,631
Restricted cash		171,167	75,535
Other receivables	11	6,716	91,228
Prepayments		38,802	11,333
Total current assets		1,674,154	1,418,727
Non-current assets			
Plant and equipment		150,245	4,519
Exploration and evaluation expenditure	12	14,599,709	9,832,179
Total non-current assets		14,749,954	9,836,698
Total assets		16,424,108	11,255,425
Current liabilities			
Trade and other payables	13	603,637	671,601
Provisions		38,723	10,121
Total current liabilities		642,360	681,722
Total liabilities		642,360	681,722
Net assets		15,781,748	10,573,703
Equity			
Issued capital	14	18,846,172	12,171,388
Reserves		2,521,731	1,914,231
Accumulated losses		(5,586,155)	(3,511,916)
Total equity		15,781,748	10,573,703

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 2019

	Note	2019 $	2018 $
Cash flows from operating activities			
Cash receipts from customers		-	19,593
Cash payments in the course of operations		(1,478,989)	(822,634)
Interest received		42,164	41,854
Interest paid		(1,074)	-
Net cash used in operating activities	18	(1,437,899)	(761,187)
Cash flows from investing activities			
Payments for plants and equipment		(160,808)	(4,519)
Payments for exploration and evaluation expenditure		(4,764,857)	(2,242,017)
Net cash used in investing activities		(4,925,665)	(2,295,283)
Cash flows from financing activities			
Proceeds from issue of shares and exercise of options	14(a)	7,194,210	140,673
Share issue costs	14(a)	(518,176)	-
Security deposits refunded/(paid)		(95,632)	(48,747)
Net cash received from financing activities		6,580,402	140,673
Net increase/(decrease) in cash and cash equivalents		216,838	(2,915,797)
Cash at the beginning of the financial year		1,240,631	4,156,428
Cash and cash equivalents at the end of the financial year	10	1,457,469	1,240,631

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

Consolidated Statement of Changes in Equity
For the year ended 30 June 2019

	Issued Capital $	Accumulated loss $	Reserves $	Total Equity $
At 1 July 2018	12,171,388	(3,511,916)	1,914,231	10,573,703
Loss for the year	-	(2,074,239)	-	(2,074,239)
Total comprehensive loss	-	(2,074,239)	-	(2,074,239)
Transactions with owners recorded directly in equity				
Share placement	7,192,335	-	-	7,192,335
Share issue costs	(518,176)	-	-	(518,176)
Share based payments expense	-	-	562,500	562,500
Option exercise	625	-	-	625
Additional capital contribution by Owners/shareholders	-	-	45,000	45,000
At 30 June 2019	**18,846,172**	**(5,586,155)**	**2,521,731**	**15,781,748**
At 1 July 2017	12,030,715	(1,957,343)	1,855,231	11,928,603
Loss for the year	-	(1,554,573)	-	(1,554,573)
Total comprehensive loss	-	(1,554,573)	-	(1,554,573)
Transactions with owners recorded directly in equity				
Prepaid capital contribution	140,673	-	-	140,673
Share based payments expense	-	-	59,000	59,000
At 30 June 2018	12,171,388	(3,511,916)	1,914,231	10,573,703

The Consolidated Statement of Changes in Equity is to be read in conjunction with the 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 Unit 4, 24 Parkland Road, Osborne Park, Western Australia 6017. The consolidated financial report of the Company as at and for the year ended 30 June 2019 comprises the Company and its subsidiary (together referred to as the 'Group'). The Group is a for profit entity and primarily is involved in the exploration of minerals within Australia.

2 BASIS OF PREPARATION

(a) Statement of compliance

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

(b) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for share based payments which are measured at fair value (refer to note 3(h)(i)).

(c) Functional and presentation currency

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

(d) Use of estimates and judgements

Set out below is information about:

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

Critical Judgements

Estimates and assumptions

i. Exploration and evaluation assets

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

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

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

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

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

Changes in these estimates and assumptions as new information about the presence or recoverability of an ore reserve becomes available, may impact the assessment of the recoverable amount of exploration and evaluation assets. If, after having capitalised the expenditure a judgement is made that recovery of the expenditure is unlikely, an impairment loss is recorded in the profit or loss in accordance with accounting policy 3(e). The carrying amounts of exploration and evaluation assets are set out in note 12.

2 BASIS OF PREPARATION (CONTINUED)

(d) Use of estimates and judgements (continued)

ii. Share based payments

The share based payments are recognised in accordance with the Company's accounting policy (refer note 3(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

Subsequent to year end the Company raised $1,000,029 of equity capital via an issue of ordinary shares at $0.031 per share. The Company will also be completing a 1-for-3 underwritten non-renounceable pro-rata Entitlement Offer to raise up to a further approximately A$1.9 million. The Entitlement Offer closes on 24 September 2019.

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

3. SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of consolidation

(i) Subsidiaries

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

(ii) Transactions eliminated on consolidation

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

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

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

(b) Income tax

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

Current tax

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income tax (continued)

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).

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;

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Goods and services tax (continued)

(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) Plant and equipment

(i) Recognition and measurement

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

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

(ii) Subsequent costs

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

(iii) Depreciation

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

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

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

(e) Exploration and Evaluation assets

Exploration for and evaluation of mineral resources is the search for mineral resources after the Group 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)

(e) Exploration and Evaluation assets (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 on 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.

(f) Provisions

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

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

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) 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.

(h) Employee benefits

(i) Share based payments

Equity settled transactions

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

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

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

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

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

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

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

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

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

(ii) Short term benefits

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Interest Income

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

(j) Segment reporting

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

(k) 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 2018, 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 been determined.

AASB 16 Leases

AASB 16 replaces AASB 117 Leases. AASB 16 removes the classification of leases as either operating leases of finance leases-for the lessee – effectively treating all leases as finance leases. AASB 16 is applicable to annual reporting periods beginning on or after 1 July 2019.

Impact on operating leases

AASB 16 will change how the Group accounts for leases previously classified as operating leases under AASB 117, which were off-balance sheet. On initial application of AASB 16, for all leases (except as noted below), the Group will:

- Recognise right-of-use assets and liabilities in the consolidated statement of financial position, initially measured at the present value of the future lease payments.
- Recognise deprecation of right-of-use assets and interest on lease liabilities in the consolidated statement of profit or loss.
- Separate the total amount of cash paid into a principal portion (presented within financing activities) and interest (presented within operating activities) in the consolidated cash flow statement.

Lease incentives (e.g rent-free period) will be recognised as part of the measurement of the right-of-use assets and lease liabilities whereas under AASB 117 they resulted in the recognition of a lease liability incentive, amortised as a reduction of rental expenses on a straight-line basis.

Under AASB 16, right-of-use assets will be tested for impairment in accordance with AASB 136 Impairment of Assets. This will replace the previous requirement to recognise a provision for onerous lease contracts. For short-term leases (lease term of 12 months or less) and leases of low-value assets (such as personal computers and office furniture), the Group will opt to recognise a lease expense on a straight-line basis as permitted by AASB 16.

The Group has elected to not early adopt AASB 16 but has conducted an assessment of the impact of the new standard and has determined that there is no material impact.

(l) 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 2018.
The nature and effects of the changes required by these standards had no material impact on the financial statements.

4 FINANCIAL RISK MANAGEMENT

Overview

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

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

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

Credit risk

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

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

Cash and cash equivalents

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

Trade and other receivables

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

Exposure to credit risk

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

		Consolidated	
		Carrying amount	
	Note	2019	2018
		$	$
Cash and cash equivalents	10	1,457,469	1,240,631
Restricted cash		171,167	75,535
Other receivables	11	6,716	91,228
		1,635,352	1,407,394

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

Liquidity risk

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

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

4 FINANCIAL RISK MANAGEMENT (CONTINUED)

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

Consolidated
30 June 2019

	Note	Carrying amount $	Contractual cash flows $	<3 months $
Trade and other payables	13	603,637	603,637	603,637
		603,637	603,637	603,637

30 June 2018

	Note	Carrying amount $'000	Contractual cash flows $'000	<3 months $'000
Trade and other payables	13	671,601	671,601	671,601
		671,601	671,601	671,601

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

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

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

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

	Note	Consolidated Carrying amount 2019 $	2018 $
Variable rate instruments			
Cash and cash equivalents		1,457,469	1,240,631
Fixed rate instruments			
Security deposits		171,167	75,535
		1,628,636	1,316,166

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

Cash flow sensitivity analysis for variable rate instruments
A change of 100 basis points in interest rates at the reporting date would have increased or decreased the Group's equity by $14,575 (2018: $12,406) and profit or loss by $20,777 (2018: $15,545).

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.

4 FINANCIAL RISK MANAGEMENT (CONTINUED)

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

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

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

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

5 INCOME AND EXPENSES

	Note	Consolidated 2019 $	Consolidated 2018 $
(a) Net financial income			
Interest income		45,210	42,095
Finance expense		(1,074)	(566)
Net finance income		44,136	41,529
(b) Impairment loss exploration tenements			
Impairment		186,752	437,569
Total Impairment loss		186,752	437,569
(c) Corporate and Administration expenses			
Travel, accommodation and conferences		115,199	68,026
Share registry and ASX compliance fees		109,223	60,894
Audit and tax consulting fees		27,019	80,045
Legal fees		80,485	32,438
Promotional		102,655	71,754
Contractors and consultancy		185,416	152,008
Occupancy		82,956	85,452
Other		124,740	84,537
Total Corporate and Administration		827,693	635,154
(d) Employment expenses			
Wages and salaries		557,991	488,673
Equity settled share- based payment transaction		562,500	59,000
Total Employment expenses		1,120,491	547,673

6 AUDITORS' REMUNERATION

	Consolidated 2019 $	Consolidated 2018 $
Auditors of the Group		
KPMG Australia:		
Audit and review of financial reports	539	47,731
HLB Mann Judd:		
Audit and review of financial reports	28,680	-
	29,219	47,731

7 INCOME TAX

	Consolidated 2019 $	2018 $
A reconciliation between tax expense and pre-tax loss:		
Accounting (loss) before income tax	(2,074,239)	(1,554,573)
At the domestic tax rate of 27.5% (2018: 30%)	(570,415)	(466,371)
Reconciling items		
Share-based payments – non deductible for income tax purposes	154,688	17,700
Other non-deductible/non-assessable items	683	854
Adjustment for prior year	(20,672)	15,236
Tax losses and temporary differences not brought to account	435,716	432,581
Income tax expense reported in the income statement	-	-
Unused tax losses carried forward	11,849,994	5,075,335
Potential tax benefit @ 27.5% (2018: 30%)	3,258,748	1,522,601
Tax losses offset against deferred tax liabilities	(2,524,526)	(966,022)
Unrecognised tax benefit	734,222	556,579

All unused tax losses were incurred by Australian entities.
Todd River Resources Limited and its 100% owned Australian subsidary 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. All unused tax losses belong to the head entity being Todd River Resources Ltd.

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

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

Deferred income tax

Statement of financial posistion	Consolidated 2019 $	2018 $
Deferred income tax relates to the following:		
Deferred Tax Liabilities		
Exploration and evaluation assets	2,540,331	978,673
Other	6,231	
Deferred Tax Assets		
Other	(22,036)	(12,651)
Deferred tax assets used to offset deferred tax liabilities (tax losses)	(2,524,526)	(966,022)
	-	-

8 EARNINGS PER SHARE

The calculation of basic earnings per share for the year ended 30 June 2019 was based on the loss attributable to ordinary shareholders of $2,074,239 and a weighted average number of ordinary shares on issue during the year ended 30 June 2019 of 122,118,056

Loss attributable to ordinary shareholders

	2019 $	2018 $
(Loss) for the period	(2,074,239)	(1,554,573)
(Loss) attributable to ordinary shareholders	(2,074,239)	(1,554,573)

8 EARNINGS PER SHARE (CONTINUED)

Weighted average number of ordinary shares

	2019 Numbers	2018 Numbers
Number of ordinary shares at 1 July	65,000,100	65,000,100
Effect of shares issued	57,117,956	-
Weighted average number of ordinary shares at 30 June	122,118,056	65,000,100

Effect of dilutive securities

Todd River's potential ordinary shares at 30 June 2019, being its options, are not considered dilutive as the conversion of these options would not increase the net loss per share.

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

9 SEGMENT INFORMATION

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

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

10 CASH AND CASH EQUIVALENTS

	Consolidated	
	2019 $	2018 $
Cash at bank	1,457,469	1,240,631
	1,457,469	1,240,631

11 OTHER RECEIVABLES

	Consolidated	
	2019 $	2018 $
Current		
Other receivables	3,047	5,534
GST receivables	3,669	85,694
	6,716	91,228

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

12 EXPLORATION AND EVALUATION EXPENDITURE

	Consolidated	
	2019 $	2018 $
Cost		
Balance at 1 July	9,832,179	8,051,315
Exploration and evaluation expenditure	4,954,282	2,218,433
Impairment	(186,752)	(437,569)
Balance at 30 June	14,599,709	9,832,179

12 EXPLORATION AND EVALUATION EXPENDITURE (CONTINUED)

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 $14,599,709 of which $5,087,501 is attributable to the entity's Manbarrum project, $6,009,548 (2018: $2,091,018) attributable to the Mount Hardy project and the balance relating to other current exploration programs.

An impairment expense of $186,752 was recognised during the year and relating to the write downs of the Croker Island and Walabanba projects.

13 TRADE AND OTHER PAYABLES

	Consolidated	
	2019	2018
	$	$
Current		
Trade payables[1]	479,975	387,087
Trade creditor TNG Ltd [2]	-	139,028
Trade creditor S2 Resources Ltd[3]	25,163	-
Other payables[1]	98,499	145,486
	603,637	671,602

[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 20)*
[3]*Administrative and geological costs on charged by S2 Resources Ltd as per the Shared Services Agreement (refer Note 20)*

14 CAPITAL

	Consolidated	
	2019	2018
	$	$
Issued and paid-up share capital	18,846,172	12,171,388

(a) Movements in shares on issue

	2019		2018	
	Number	$	Number	$
Balance at the beginning of year	65,000,100	12,171,388	65,000,100	12,030,715
Share placement at $0.09 per share on 4 July 2018[1]	11,975,031	937,080	-	-
Share placement at $0.08 per share on 18 September 2018	4,270,000	341,600	-	-
Options exercised at $0.25 per share on 14 September 2018	2,500	625		
Share placement at $0.08 per share on 23 October 2018	4,912,808	390,453	-	-
Share placement at $0.08 per share on 8 November 2018[2]	8,230,000	658,400	-	-
Share placement at $0.0852 per share on 30 November 2018	57,057,808	4,866,052	-	-
Options exercised but shares not issued[3]	-	(1,250)		
Prepaid capital contribution	-	-		140,673
Share issue costs	-	(518,176)	-	-
Balance at end of year	**151,448,247**	**18,846,172**	65,000,100	12,171,388

[1] 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. This related to a completion of a capitalising raising as per the ASX announcement on 27 June 2018. However $140,673 was received in financial year ended 30 June 2018 and the remaining funds of $937,080 was received in July 2018.
[2] This included an issue of free attaching listed options exercisable at $0.25 on or before 22 March 2020.
[3] The Company had received funds upon options exercise at $0.25 per option but unintentionally, no shares were issued. Funds will be reimbursed to the option holder in the next financial year.

14 CAPITAL (CONTINUED)

Terms and conditions of contributed equity

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

(b) Movements in Options

	Opening balance	Granted in year	Exercised in year	Expired/ cancelled in year	Closing Balance
Listed options					
Exercisable at $0.25 on or before 22 Mar 2020	18,500,000	5,987,516*	(2,500)	-	24,485,016
Total listed options	**18,500,000**	**5,987,516**	**(2,500)**	**-**	**24,485,016**
Unlisted options					
Exercisable at $0.30 on or before 22 Mar 2020	12,500,000	-	-	-	12,500,000
Exercisable at $0.175 on or before 1 May 2021	1,000,000	-	-	-	1,000,000
Exercisable at $0.131 on or before 3 Nov 2021	-	10,000,000	-	-	10,000,000
Exercisable at $0.134 on or before 7 Nov 2021	-	1,000,000	-	-	1,000,000
Total unlisted options	**13,500,000**	**11,000,000**	**-**	**-**	**24,500,000**
Total options	**32,000,000**	**16,987,516**	**(2,500)**	**-**	**48,985,016**

*During the year ended 30 June 2019, 10,000,000 unlisted options and 3,500,000 listed options were released from escrow on 6 April 2019.

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

(c) Dividends

No dividends were declared or paid during the 2019 financial year.

15 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	
	2019	**2018**
	$	**$**
Exploration commitments payable not provided for in the financial report:		
Within one year	1,127,500	881,000

16 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 2019 $	2018 $
Guarantees		
A guarantee has been provided to support unconditional environmental performance bonds	81,167	35,535
Total estimated contingent liabilities	81,167	35,535

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

Indemnities have been provided to Directors and certain executive officers of the Company in respect of liabilities to third parties arising from their positions, except where the liability arises out of conduct involving a lack of good faith. No monetary limit applies to these agreements and there are no known obligations outstanding at 30 June 2019.

17 CONTROLLED ENTITIES

Subsidiaries	**Country of Incorporation**	**2019 % of Ownership**	**2018 % of Ownership**
Todd River Metals Pty Ltd	Australia	100	100

18 NOTES TO THE STATEMENTS OF CASH FLOWS

Reconciliation of cash flows from operating activities

	Consolidated 2019 $	2018 $
Loss for the period	(2,074,239)	(1,554,571)
Add/(less) non-cash items:		
Share based payments	562,500	59,000
Depreciation expense	15,082	-
Impairment loss on exploration	186,752	437,569
	(1,309,905)	(1,058,002)
Change in assets and liabilities:		
Decrease/(increase) in receivables and prepayments	57,043	35,262
Decrease/(increase) in payables	(185,037)	261,554
Net cash used in operating activities	(1,437,899)	(761,187)

19 SHARE BASED PAYMENTS

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

Options series	Grant Date	Expiry Date	Exercise Price	Number
1	17 Mar 2017	22 Mar 2020	$0.30	11,500,000
2	17 Mar 2017	22 Mar 2020	$0.25	3,500,000
3	1 May 2018	22 Mar 2020	$0.30	1,000,000
4	1 May 2018	1 May 2021	$0.175	1,000,000
5	5 Nov 2018	4 Nov 2021	$0.131	10,000,000
6	8 Nov 2018	7 Nov 2021	$0.134	1,000,000

19 SHARE BASED PAYMENTS (CONTINUED)

(1) The 11,500,000 options in series 1 which vested immediately were issued to Directors and the Company Secretary of the Group.
(2) The 3,500,000 options in series 2 which vested immediately were issued to consultants in payment of services rendered.
(3) The 1,000,000 options in series 3 which vested immediately were issued to the Chief Executive Officer, William Dix who was appointed as Manager Director on 30 November 2018, of the Group.
(4) The 1,000,000 options in series 4 which vested immediately were issued to the Chief Executive Officer, William Dix who was appointed as Manager Director on 30 November 2018, of the Group.
(5) The 10,000,000 options in series 5 which vested immediately were issued to the Directors of the Group.
(6) The 1,000,000 options in series 6 which vested immediately were issued to the Company Secretary of the Group.

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

	Issue 1	Issue 2	Issue 3	Issue 4
Dividend yield	0.00%	0.00%	0.00%	0.00%
Share price at date of grant	$0.20	$0.20	$0.084	$0.084
Exercise price	$0.30	$0.25	$0.30	$0.175
Volatility	100%	100%	100%	100%
Risk free rate	1.96%	1.96%	2.05%	2.18%
Expiration date	22 Mar 2020	22 Mar 2020	22 Mar 2020	1 May 2021
Binomial valuation	$0.109	$0.116	$0.019	$0.040

	Issue 5	Issue 6
Dividend yield	0.00%	0.00%
Share price at date of grant	$0.09	$0.09
Exercise price	$0.131	$0.134
Volatility	100%	100%
Risk free rate	2.10%	2.10%
Expiration date	4 Nov 2021	7 Nov 2021
Binomial valuation	$0.05	$0.049

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

	Note	Consolidated 2019 $	Consolidated 2018 $'000
Total expense recognised as employee expenses	5(d)	549,000	59,000
Prior period valuation adjustment	5(d)	13,500	-
		562,500	59,000

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

	Consolidated Weighted average exercise price 2019 $	Number of options 2019	Weighted average exercise price 2018 $	Number of options 2018
Outstanding at 1 July	0.263	17,000,000	0.288	15,000,000
Expired during the period	-	-	-	-
Exercised during the year	-	-	-	-
Granted during the period	0.131	11,000,000	0.238	2,000,000
Outstanding during the period	0.223	28,000,000	0.263	17,000,000
Exercisable at 30 June	0.223	28,000,000	0.263	17,000,000

The options outstanding at 30 June 2019 have a remaining contractual life between 8 and 28 months respectively and an exercise price ranging from $0.131 to $0.30.

20 RELATED PARTIES

(a) TNG Limited

The Company entered into an Administrative Services Agreement with TNG Limited on 19 December 2016 and was terminated on 11 February 2019. There were no outstanding fees payable to TNG Limited as at 30 June 2019. 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 the Company as part of the agreement. This included geological staff costs of Mr Paul Burton who resigned as Technical Director of the Company on 24 January 2019. The total amount of $407,759 (2018: $803,111) was incurred for the year ended 30 June 2019 with TNG Limited and has been included in Corporate and Administrative expenses and capitalised Exploration and Evaluation expenditures.

(b) S2 Resources Ltd

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

(b) Compensation of key management personnel

Key management personnel compensation comprised the following:

Compensation by category

	Consolidated	
	2019 **$**	**2018** **$**
Key Management Personnel		
Short-term	636,912	473,316
Post-employment	28,859	11,424
Other benefits	12,577	8,547
Share-based payments	562,500	59,000
	1,240,848	552,287

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

(c) Other transactions with key management personnel

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

During the financial year ended 30 June 2019, SLR Consulting Pty Ltd (of which Mr Simon Robertson is a related party), was paid consulting fees of $70,579. Also during the year ended 30 June 2019, Gimbulki Resources (of which Mr Edward Fry is a related party) was paid consulting fees of $4,500. Mr Robertson and Mr Fry's fees are disclosed in the Remuneration Report.

21 PARENT ENTITY INFORMATION

For the financial year ended 30 June 2019 the parent entity of the Group was Todd River Resources Limited. The summary of financial information is as follows.

	2019 $	2018 $
Current assets	1,546,135	1,260,169
Non-current assets	14,009,250	9,721,646
Total assets	15,555,385	10,981,815
Current liabilities	227,300	408,112
Total liabilities	227,300	408,112
Net assets	15,328,085	10,573,703
Issued capital	18,846,172	12,171,388
Reserves	2,521,731	1,914,231
Accumulated losses	(6,039,818)	(3,511,916)
Total equity	15,328,085	10,573,703
Profit/(loss) of the parent entity	(2,527,902)	(1,566,475)
Total comprehensive income/(loss) of the parent entity	(2,527,902)	(1,566,475)

Tax consolidation

Todd River Resources Limited and its 100% owned Australian subsidary formed a tax consolidated group. 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.

22 EVENTS SUBSEQUENT TO BALANCE DATE

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

On 2 September 2019, TRT announced that it would be raising funds of approximately $2.9 million consisting of:

- a placement to new and existing sophisticated and institutional investors to raise up to $1,000,000 (before costs); and
- a 1-for-3 underwritten non-renounceable pro-rata Entitlement Offer to raise up to a further approximately $1.9 million (before costs).

On 10 September 2019, TRT announced the completion of the placement and issued 32,259,000 shares at an issue price of $0.031 per share raising $1,000,000 (before costs). The closing date for the Entitlement Offer is 24 September 2019.

There have been no other matter or circumstance which have arisen since 30 June 2019 that have significantly affected or may significantly affect:

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

Todd River Resources Limited
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 Directors' report, set out on pages 11 to 32, 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 2019 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 2019.

3 the directors draw attention to note 2(a) of the consolidated financial statements which includes a statement of compliance with International Financial Reporting Standards.

Signed in accordance with the resolution of the directors:

William Dix
Managing Director
17 September 2019

HLB MANN JUDD
ADVISORY AND ACCOUNTING

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the consolidated financial report of Todd River Resources Limited for the year ended 30 June 2019, I declare that to the best of my knowledge and belief, there have been no contraventions of:

a) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

b) any applicable code of professional conduct in relation to the audit.

Perth, Western Australia	**L Di Giallonardo**
17 September 2019	**Partner**

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INDEPENDENT AUDITOR'S REPORT

To the members of Todd River Resources Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Todd River Resources Limited ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2019, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

a) giving a true and fair view of the Group's financial position as at 30 June 2019 and of its financial performance for the year then ended; and

b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Material uncertainty related to going concern

We draw attention to Note 2(e) in the financial report, which indicates that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key audit matters

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

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HLB MANN JUDD
ADVISORY AND ACCOUNTING

Key Audit Matter	How our audit addressed the key audit matter
Carrying amount of exploration and evaluation expenditure Note 12 of the financial report	
The carrying amount of exploration and evaluation expenditure as at 30 June 2019 is $14,599,709. In accordance with AASB 6 *Exploration for and Evaluation of Mineral Resources*, the Group capitalises all exploration and evaluation expenditure, including acquisition costs and subsequently applies the cost model after recognition. Our audit focussed on the Group's assessment of the carrying amount of the capitalised exploration and evaluation asset, as this is the most significant asset of the Group. We planned our work to address the audit risk that the capitalised expenditure may no longer meet the recognition criteria of the standard. In addition, we considered it necessary to assess whether facts and circumstances existed to suggest that the carrying amount of the exploration and evaluation asset may exceed its recoverable amount.	Our procedures included but were not limited to the following: • We obtained an understanding of the key processes associated with management's review of the carrying values of each area of interest; • We considered the Directors' assessment of potential indicators of impairment; • We obtained evidence that the Group has current rights to tenure of its areas of interest; • We examined the exploration budget for the year ending 30 June 2020 and discussed with management the nature of planned ongoing activities; • We enquired with management, reviewed ASX announcements and reviewed minutes of Directors' meetings to ensure that the Group had not resolved to discontinue exploration and evaluation at any of its areas of interest; • We substantiated a sample of expenditure by agreeing to supporting documentation; and • We examined the disclosures made in the financial report.

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

The directors are responsible for the other information. The other information comprises the information included in the Group's financial report for the year ended 30 June 2019, but does not include the financial report and our auditor's report thereon.

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

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

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

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial report

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

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

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

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

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

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

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included within the directors' report for the year ended 30 June 2019.

In our opinion, the Remuneration Report of Todd River Resources Limited for the year ended 30 June 2019 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

L Di Giallonardo
Partner

Perth, Western Australia
17 September 2019