



ABN: 45 600 308 398

TODD RIVER
RESOURCES

ANNUAL REPORT

2018



Todd River Resources Corporate Directory

DIRECTORS

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

COMPANY SECRETARY

Simon Robertson

CHIEF EXECUTIVE OFFICER

William Dix

REGISTERED OFFICE

Suite 20, 22 Railway Road
Subiaco Western Australia 6008

PO Box 1126
Subiaco Western Australia 6904

Telephone:(08) 9327 0950
Facsimile: (08) 9327 0901
Website: www.trrltd.com.au
Email: corporate@trrltd.com.au

SHARE REGISTRY

Computershare Investor Services Pty Limited
Level 11
172 St Georges Terrace
Perth Western Australia 6000

Telephone:(08) 9323 2000
Facsimile: (08) 9323 2033

AUDITORS

KPMG
235 St Georges Terrace
Perth WA 6000

DOMESTIC STOCK EXCHANGE

Australian Securities Exchange (ASX)
Code: TRT

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2018 HIGHLIGHTS – YEAR IN REVIEW

- High grade base metal discovery at the EM1 Prospect at Mt Hardy;
- Extensive copper anomalism at surface and strong SkyTEM conductors ready for drill testing identified at the McArthur Copper-Zinc Project;
- Drilling targets generated for the Rover Gold-Copper Project;
- Rock chip sampling confirms high grade near surface mineralisation at Stokes Yard with ground based geophysics planned for the second half of 2018;
- Receipt of the Conceptual Mining Study for the Manbarrum Zinc-Lead Project near Kununurra
- Successful meetings with Traditional Owners pave the way for the grant of exploration licences at the Petermann Range Project
- Detailed review of all projects undertaken: Strong focus on base metals and gold.
- Divestment strategies in progress for non-core projects.



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

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SUMMARY

The exploration focus of Todd River Resources throughout the 2018 Financial Year has been on the Company's existing portfolio of base metal and gold assets in the Northern Territory concentrating initially on Mt Hardy, Walabanba, McArthur and Stokes Yard. In addition, lithium exploration was carried out on the Soldiers Creek and Walabanba Projects.

The highlight of the year came in June when it was announced that the Company had drilled high grade base metal sulphides at the Mt Hardy prospect, 300Kms north west of Alice Springs.

EXPLORATION

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

Drilling Results

Results from the 2017 drilling program at Mt Hardy were received during the year and following the confirmation of the Project's strong prospectivity for base metal mineralisation two areas were drilled in 2018, targeting specific EM conductors (Figure 2).

2017 Drilling

Four high priority targets were drill tested as part of the previously reported 2017 program – the two strongest EM targets (EM #1 and #2) and the Induced Polarisation (IP) geophysical targets at Browns and Mount Hardy. Significant intersections returned during the reporting period included:

- Hole MHRC0017 (Browns Prospect): 7.0m @ 1.77% Cu, 0.43% Zn and 17.7g/t Ag from 67-74m
- Hole MHDD0023 (EM #2): 5.2m @ 1.7% Zn, 0.81% Pb and 0.12% Cu from 209.6 to 214.8m
- Hole MHDD0029 (EM #2): 9.0m @ 2.67% Zn, 0.97% Pb and 0.61% Cu from 135.0 to 144.0m, 10.5m @ 4.15% Zn, 1.10% Cu and 0.65% Pb from 178.0 to 188.5m

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

A total of 14 holes were drilled in the program, comprising nine Reverse Circulation (RC) holes and five diamond tails below RC pre-collars. In total 2,839m were drilled, including 2,197m of RC and 642m of diamond core.

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

2017 Down-hole Electromagnetic Surveys

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

EM1 Target

The highest priority area highlighted by DHEM modelling that warrants follow-up was the position between holes MHRC0005 and MHDD0010. The uppermost modelled plate corresponds to the best mineralisation seen in the EM1 area. Hole MHDD0010 returned an interval of 21m @ 0.5% Cu, 4.4% Zn, 1.9% Pb and 36g/t Ag (see TNG ASX Release 20 May 2013). There is 150m between this strong mineralisation and the shallow supergene zone outlined from MHRC0005.

EM2 Target

Holes MHDD0023 and MHDD0029 were surveyed, and modelling was conducted using these data and the information obtained from the 2012/13 DHEM surveys.

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

Holes MHRC0006, MHDD0012, 17MHRCDH023 and 17MHRCDH029 all have mineralisation within 20m of the down-hole pierce point position. This upper plate highlights the success DHEM modelling has had in outlining base metal mineralisation at Mount Hardy.

More significantly, a large 110m x 200m plate with 1800-2000 Siemens conductance has been modelled below and to the north-east of hole MHDD0029. This plate dips at 68 degrees towards 310, has the strongest conductance of any modelled plate at Mount Hardy to date, but has not been tested by any drilling.

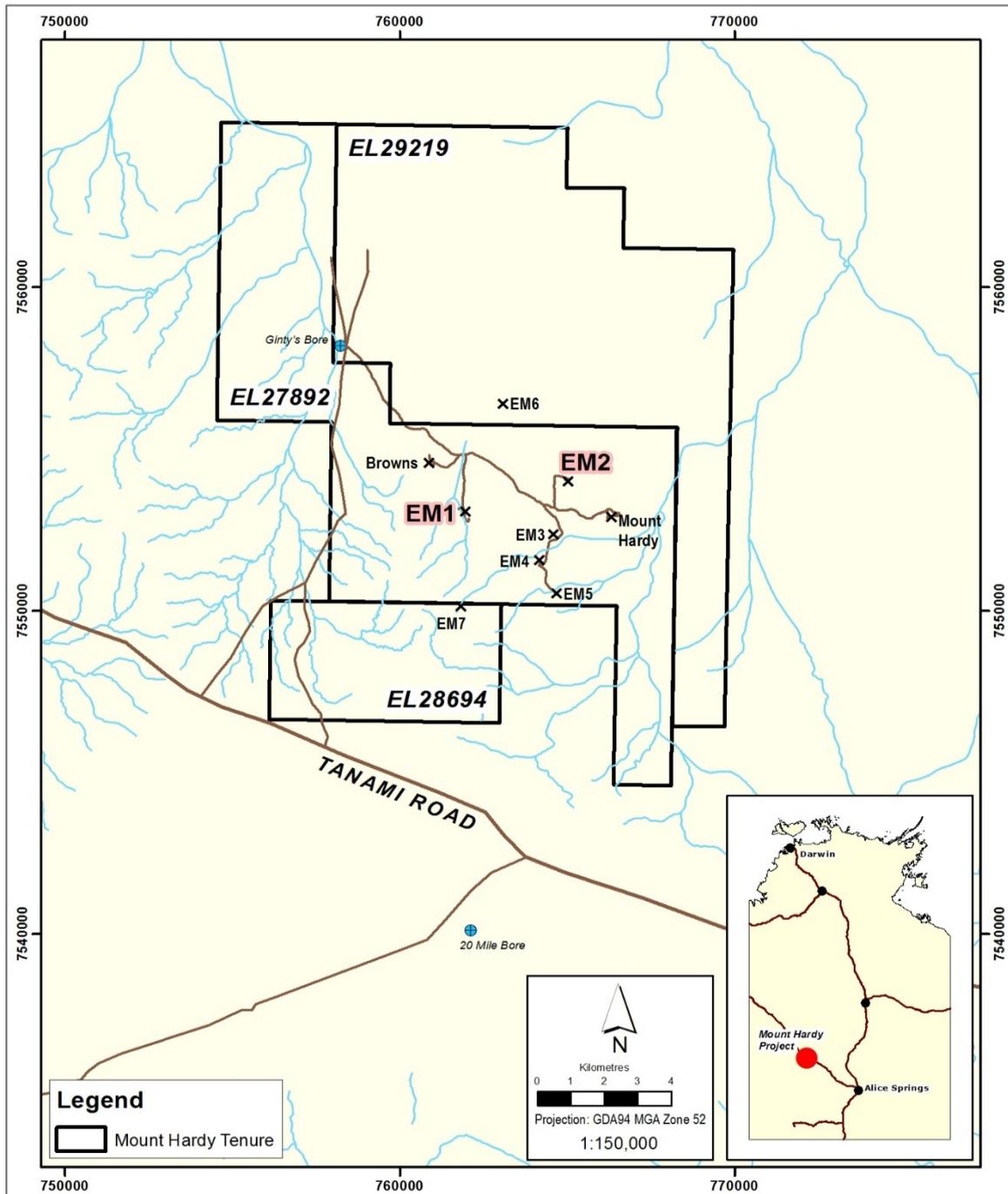


Figure 2. Location plan for the Mt Hardy Project showing EM1 and EM2 target areas.

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2018 Drilling

The 2018 drilling campaign at Mt Hardy focussed on the EM1 area where work during 2017 had highlighted areas for follow up exploration. Figure 3 shows the collar locations of holes drilled during 2018 and Table 1 contains the relevant collar information.

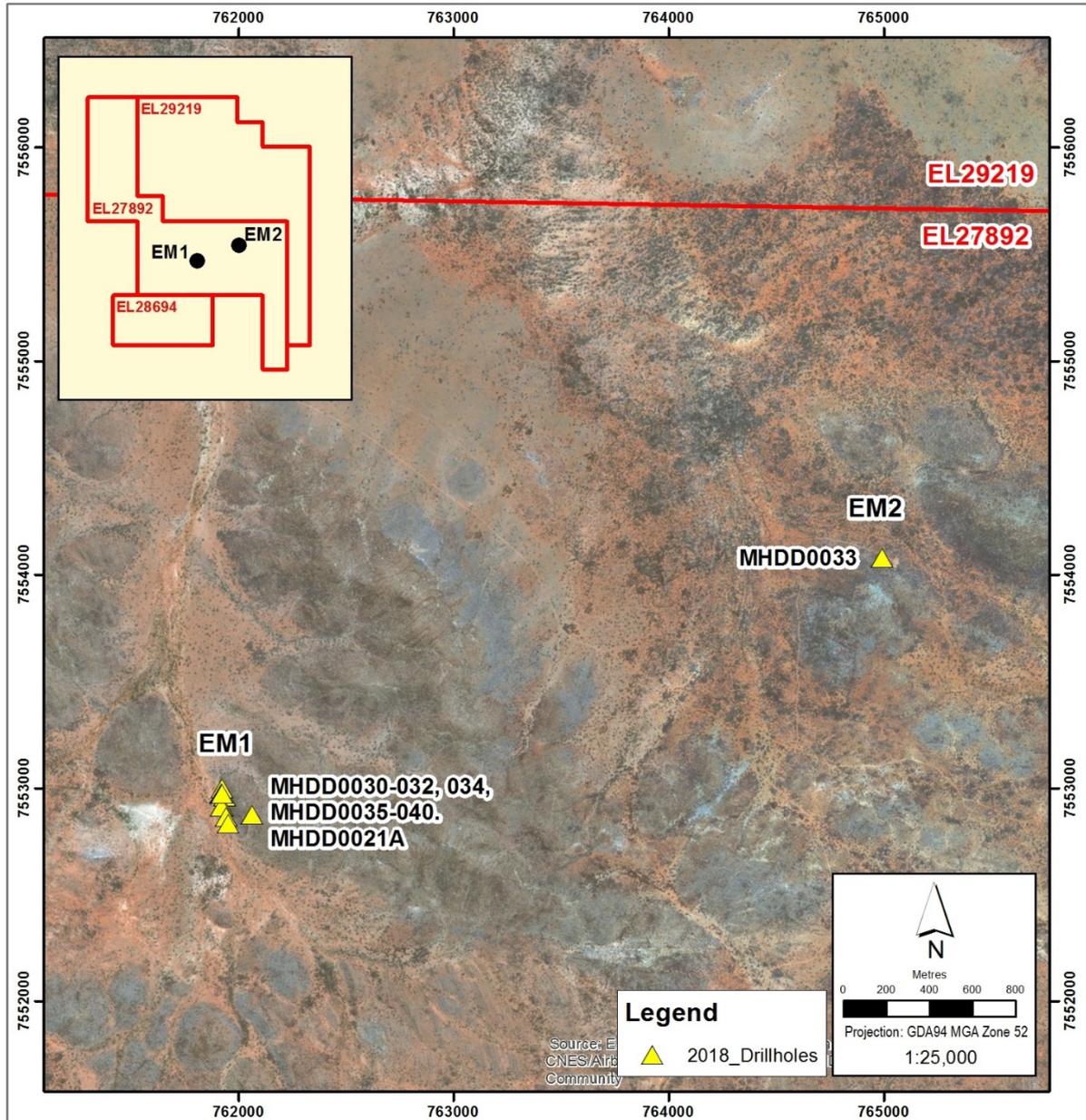


Figure 3. 2018 Mt Hardy Project drill collar plan.

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Table 1. 2018 Mt Hardy Project drill collar information.

Hole_ID	Prospect	Drill Type	EASTING GDA94	NORTHING GDA94	RL	DEPTH (m)	DIP	AZIMUTH (TRUE)
MHDD0030	EM1	RCDDH	761940	7552962	638	245.85	-48	99
MHDD0031A	EM1	RCDDH	761930	7552913	635	261.84	-47	90.1
MHDD0032	EM1	RCDDH	761925	7552999	635	315.21	-62	94.6
MHDD0033	EM2	RCDDH	764994	7554079	636	420.1	-66	125.32
MHDD0034	EM1	RCDDH	761924	7552913	635	252.57	-59	91.2
MHDD0035	EM1	DDH	761946	7552867	637	228.3	-50	85.5
MHDD0037	EM1	DDH	761956	7552834	636	188.8	-47	90.7
MHDD0038	EM1	DDH	761924	7552977	635	315.2	-52	102.4
MHDD0021A	EM1	DDH	761923	7552974	636	405.2	-73	93.5

Drilling at the EM1 target area has been guided by DHEM interpretation, with several modelled plate conductors being targeted. Previous drilling has successfully outlined base metal sulphide mineralisation associated with vein quartz and structures. Additional positions and conductor plates are still being tested. Hole MHDD0031A, which was completed as part of an ongoing 2018 diamond drilling program at Mt Hardy, intersected a broad interval of massive sulphides comprising chalcopyrite, galena and sphalerite with minor pyrrhotite between 185 and 21-m downhole. Analytical results from this intersection returned:

- 25.15m @ 2.4% Cu, 4.0% Zn, 3.1% Pb from 184.0m down-hole, including:
 - 9.15m @ 4.5% Cu, 7.6% Pb, 8.8% Zn and 162 g/t Ag from 200.0m down-hole.

This depth equates to the interpreted position of the EM target plate. This hole was drilled to test this upper plate as well as the up-dip position from the intersection previously reported in historic hole MHDD0010 and the surface mineralisation.

These base metal sulphides (sphalerite, chalcopyrite and galena) together with pyrrhotite (iron sulphide) comprise massive zones, zones of sulphide breccia, and broad sulphide stringers within the Lander Rock Formation host.

Mineralisation is shown in Figures 4 and 5 below. Figure 4 shows a section of silicified breccia with chalcopyrite-rich sulphides forming the matrix fill material. Sulphides are coarse grained with both sphalerite and galena occurring in cm-sized aggregates. Within the broad 24m interval three zones have higher base metal tenor and, accordingly, higher copper zinc and lead grades.

The overall mineralised zone, taken as greater than 1% combined base metal grade (Cu%+ Pb% + Zn%), and including some minor internal dilution is 25 metres thick (true thickness exceeding 20 metres). Base metal grades over the full interval (length weighted averages) are 2.4% Cu, 3.1% Pb, and 4.0% Zn (Table 2).

Within this interval there are two zones (above a 1% combined base metal cut off and excluding internal dilution zone exceeding two metres in width) that have 11.55 and 9.5 metres thickness and combined base metal grades of 3.9% and 20.9%.

Within the lower of these there are a further two zones where a 5% combined base metal cut off can be used to outline:

- 4.4 m @ 5.9% Cu, 10.4% Pb and 10.4% Zn (Combined base metal grade 26.7%), and
- 1.9 m @ 7.4% Cu, 11.9% Pb and 17.6% Zn (Combined base metal grade 36.9%)

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Table 2. Drill Hole MHDD0031A mineralised interval summary analyses values.

DEPTH FROM	DEPTH TO	DRILLED INTERVAL	TRUE THICKNESS	Length Weighted Averages of Laboratory Results				
				Cu (%)	Pb (%)	Zn (%)	Ag (g/t)	Comb. BM (%)
The Full Interval								
184.00	209.15	25.15	20.12	2.4	3.1	4.0	72	9.5
Upper Zone								
184.00	195.55	11.55	9.24	1.5	0.7	1.7	26	3.9
Lower Zone								
200.00	209.15	9.15	7.32	4.5	7.6	8.8	163	20.9
Upper High Grade Zone (Above 5% BM Cut off)								
200.00	204.40	4.4	3.52	5.9	10.4	10.4	264	26.7
Lower High Grade Zone (Above 5% BM Cut off)								
206.40	208.30	1.9	1.52	7.4	11.9	17.6	164	36.9

Silver grades are also listed on Table 2. The **maximum silver grade, of 413 g/t Ag**, correlates with the best lead and copper grades. Silver likely is found substituted into the galena structure, and so correlates strongly with the high lead values. **Six values exceed 100 g/t Ag** in the lower Zone. The overall interval has a silver grade of 72 g/t Ag, but the upper high grade zone has an average of 264 g/t Ag over 4.4 metres (5 samples).

Following the success of hole MHDD0031A, additional sulphides were intersected 50m south and 50m up-dip in hole MHDD0037. This interval intersected approximately 5m of sphalerite dominated sulphides with analytical results still awaited.

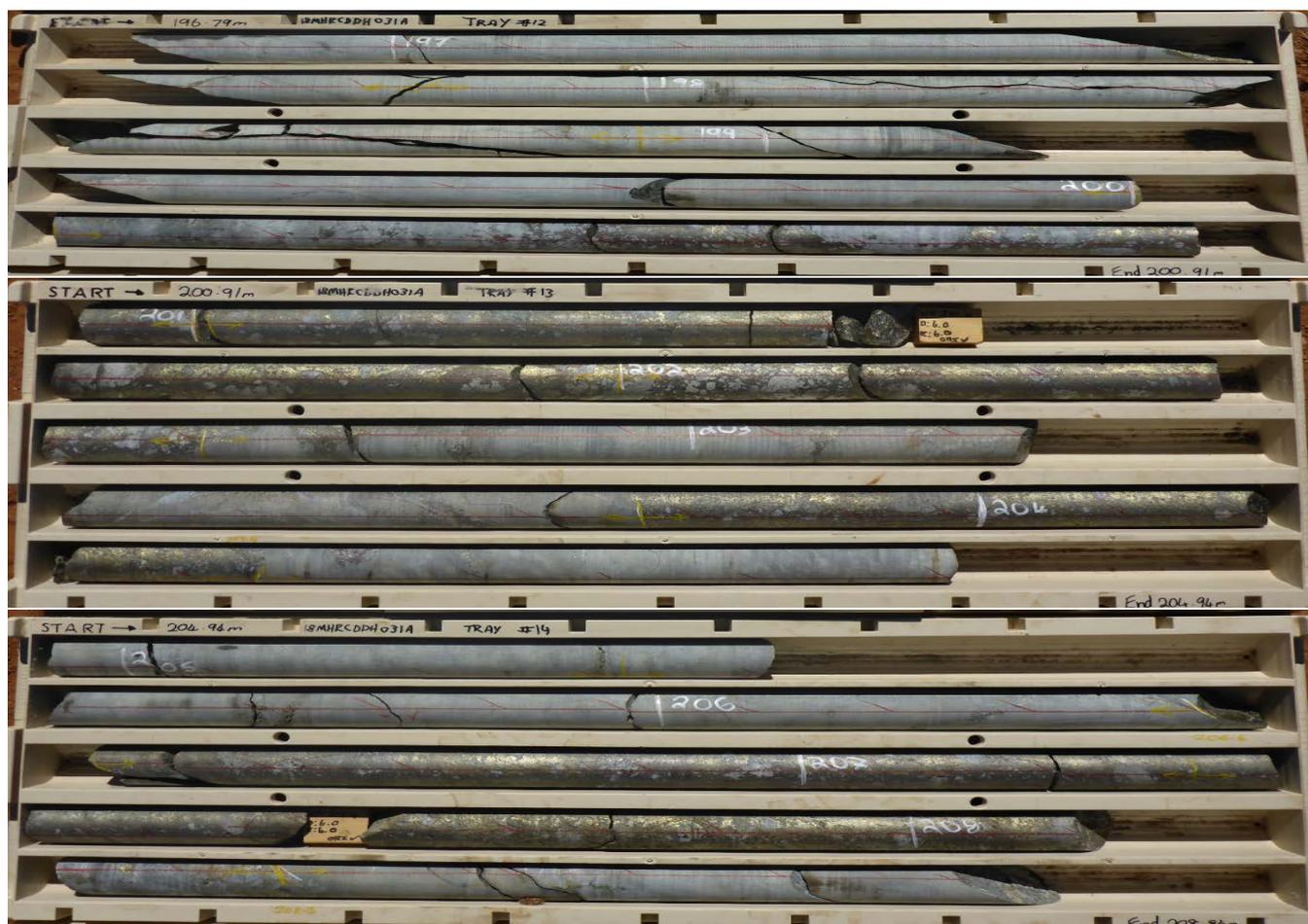


Figure 4. Drill core from MHDD0031A, showing the sulphide mineralisation from 196.8m to 209m depth. Yellow shiny core is chalcopyrite, while darker intervals are sphalerite-dominated.

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Figure 5. Close-up of drill core from hole MHDD0031A showing the chalcopyrite dominated mineralisation at 201.4m to 201.55m depth. Sulphides provide matrix fill to silicified and brecciated country rock. Core diameter is 48mm wide.

WALABANBA PROJECT (TRT: 100%)

Lithium Exploration

Following a successful mapping and sampling program Todd River has identified a significant pegmatite-hosted lithium target on the Anningie Tin Field, within its 100%-owned Walabanba Project in the Northern Territory (Figure 6).

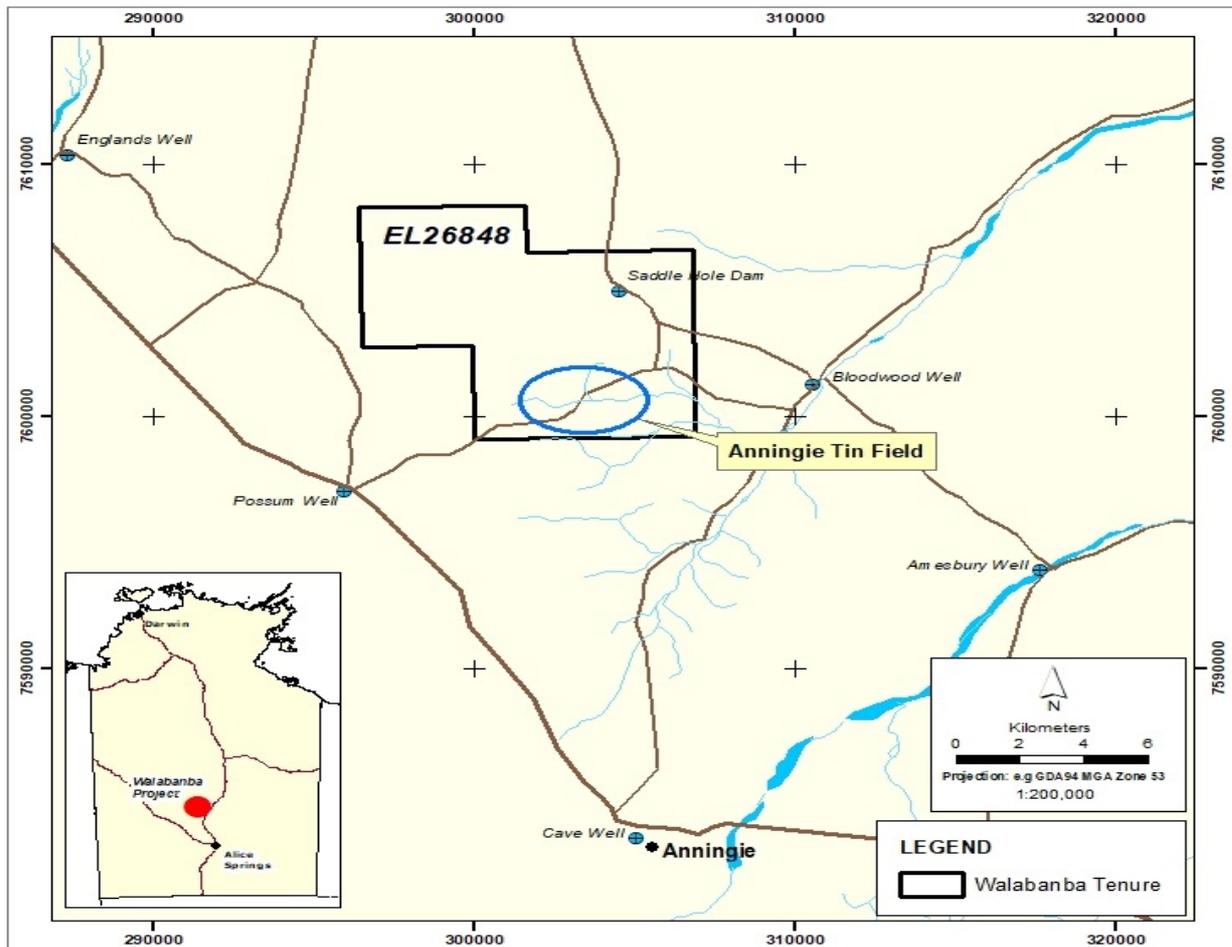


Figure 6. Current tenement plan for the Walabanba Project showing the position of the historic Anningie Tin Field.

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

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

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

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

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

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

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

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

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

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

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Base Metal Exploration

Drilling to test four electromagnetic (EM) targets at Walabanba was completed during the reporting period, with six Reverse Circulation holes for 1,290 metres drilled (Figure 7). DHEM surveys were also completed on these holes. No economic assay results were returned from the drill sampling and the DHEM did not outline further conductor plates. As a result of the disappointing drilling results, a decision was made during the year to relinquish a portion of the Walabanba tenure. Figure 6 shows the current tenure position following the relinquishment.

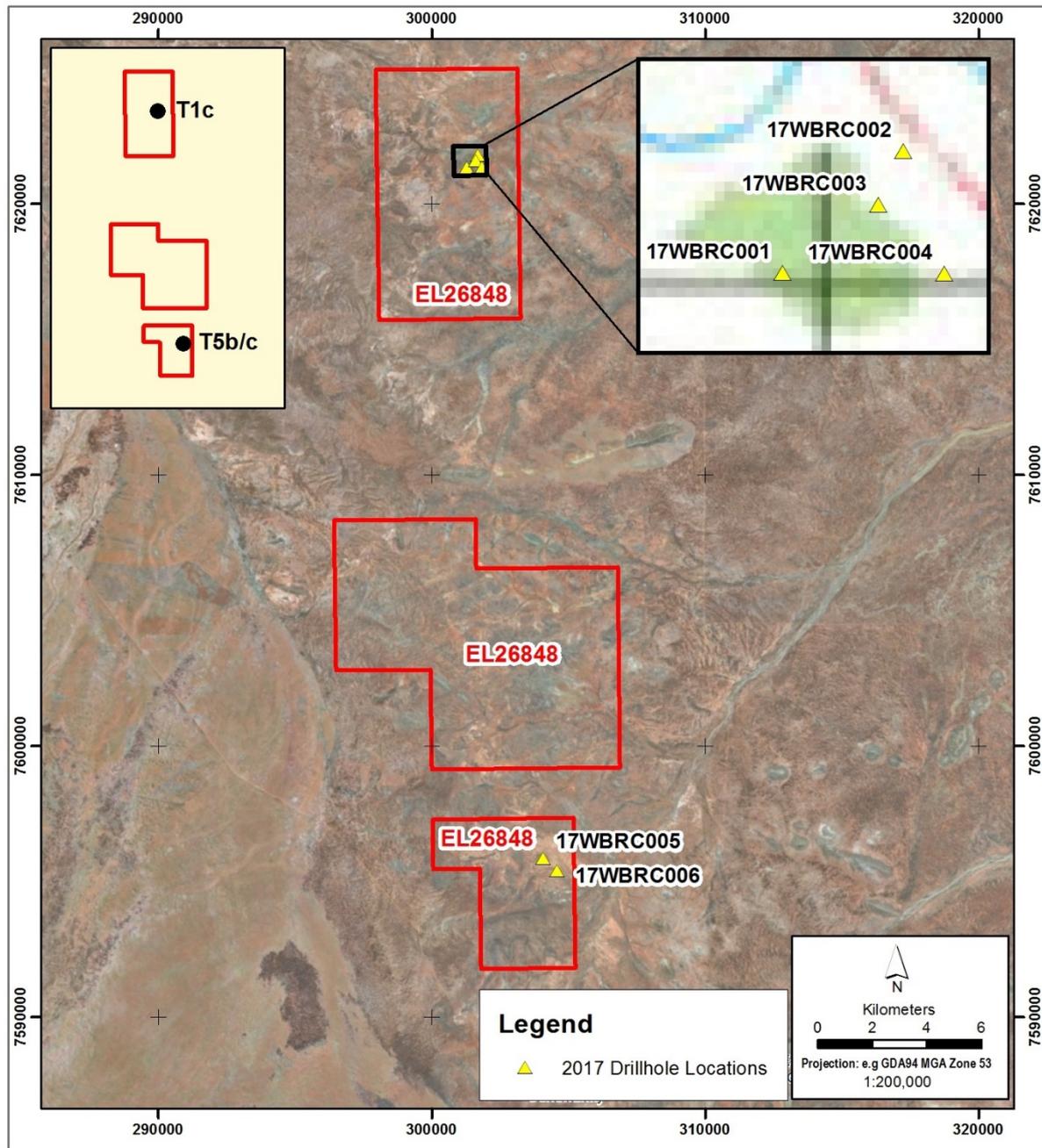


Figure 7. Walabanba Project drill collar plan.

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STOKES YARD PROJECT (TRT:100%)

The Stokes Yard Project is located 190km west of Alice Springs and is on the Glen Helen pastoral lease. Access from Alice Springs is via the bitumen Larapinta Drive and from there along the formed gravel Haasts Bluff/Papunya Road. The Project comprises one 50.45km² Exploration License – EL 30131 (Figure 8) that was acquired by TNG Ltd in mid-2016, and subsequently rolled into Todd River Resources as part of the spin-out and ASX listing in April 2017.

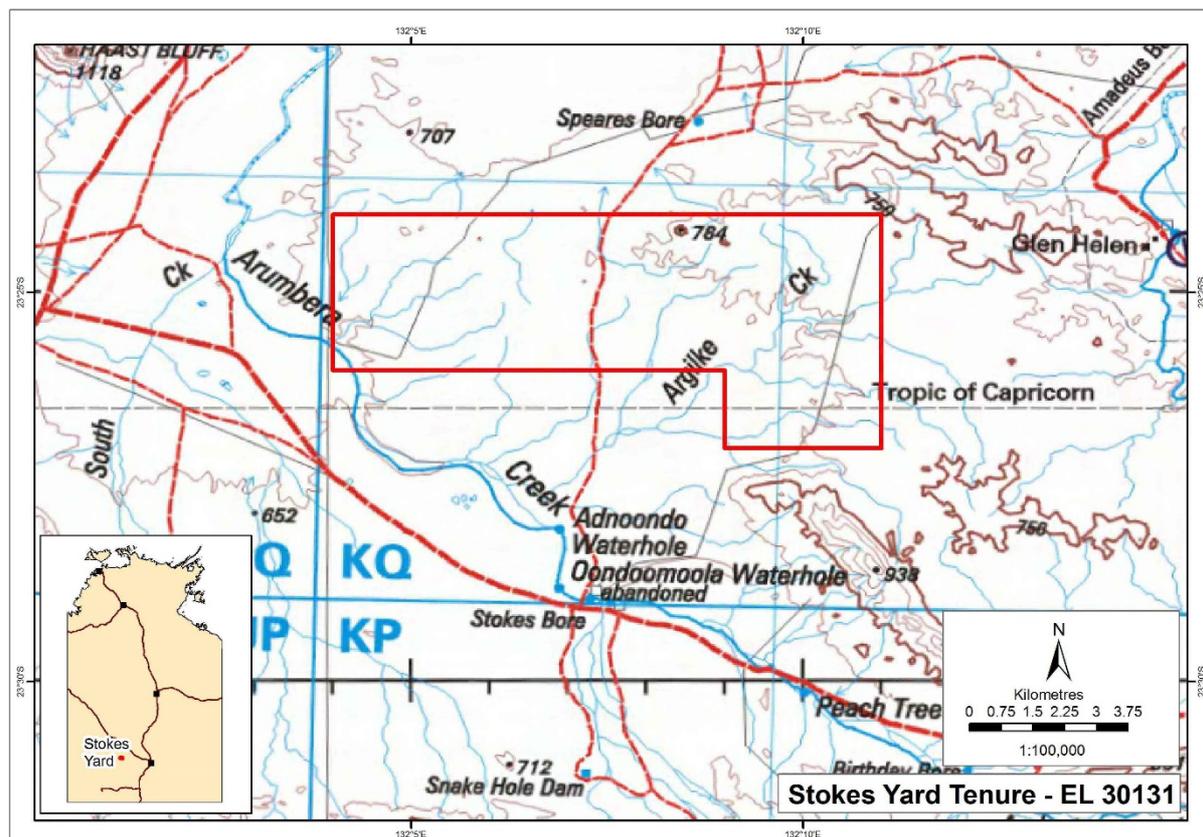


Figure 8. Stokes Yard Tenement EL 30131 location plan.

The tenement area falls within the central-eastern portion of the Warumpi Province within the Arunta Region of central Australia. Rocks underlying the tenement are medium to high grade metamorphics, of both metavolcanic and metasedimentary origin, including calcsilicates and schists. They form part of the ca. 1600 Ma Iwapataka Metamorphic Complex and Ikuntji Metamorphics, according to recent Northern Territory Geological Survey (NTGS) interpretation.

Historical rock samples from this prospect have returned results up to **26% Zn, 7.5% Cu, 7.5% Pb and 130ppm Ag**. Rock sampling by the NTGS in the early 2000's returned results including **12.2% Pb and 8.8% Zn**.

Despite these significant results from the Stokes Yard Prospect, the area remains underexplored, with no drill testing or modern exploration techniques conducted in the last 40 years.

Mapping and sampling at the Stokes Yard Project over two campaigns during the year has outlined significant zinc, copper and lead mineralisation at surface.

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

Rock chip sampling returned further high-grade results, with maximum grades of: 18% Pb, 14% Zn, 2.96% Cu, and 149 g/t Ag

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These results reinforce the outstanding potential of the Stokes Yard Project for high-grade, nearsurface polymetallic base metal mineralisation.

The next steps at Stokes yard is a moving loop EM survey which is designed to identify conductors for drilling. The survey is planned for the second half of 2018.

SOLDIERS CREEK PROJECT (TRT:100%)

An initial mapping and sampling program was conducted at the Soldiers Creek Project area, located west of Katherine in the Northern Territory (Figure 9), resulting in the delineation of three extensive pegmatite-hosted lithium prospects with very high tin values.

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

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

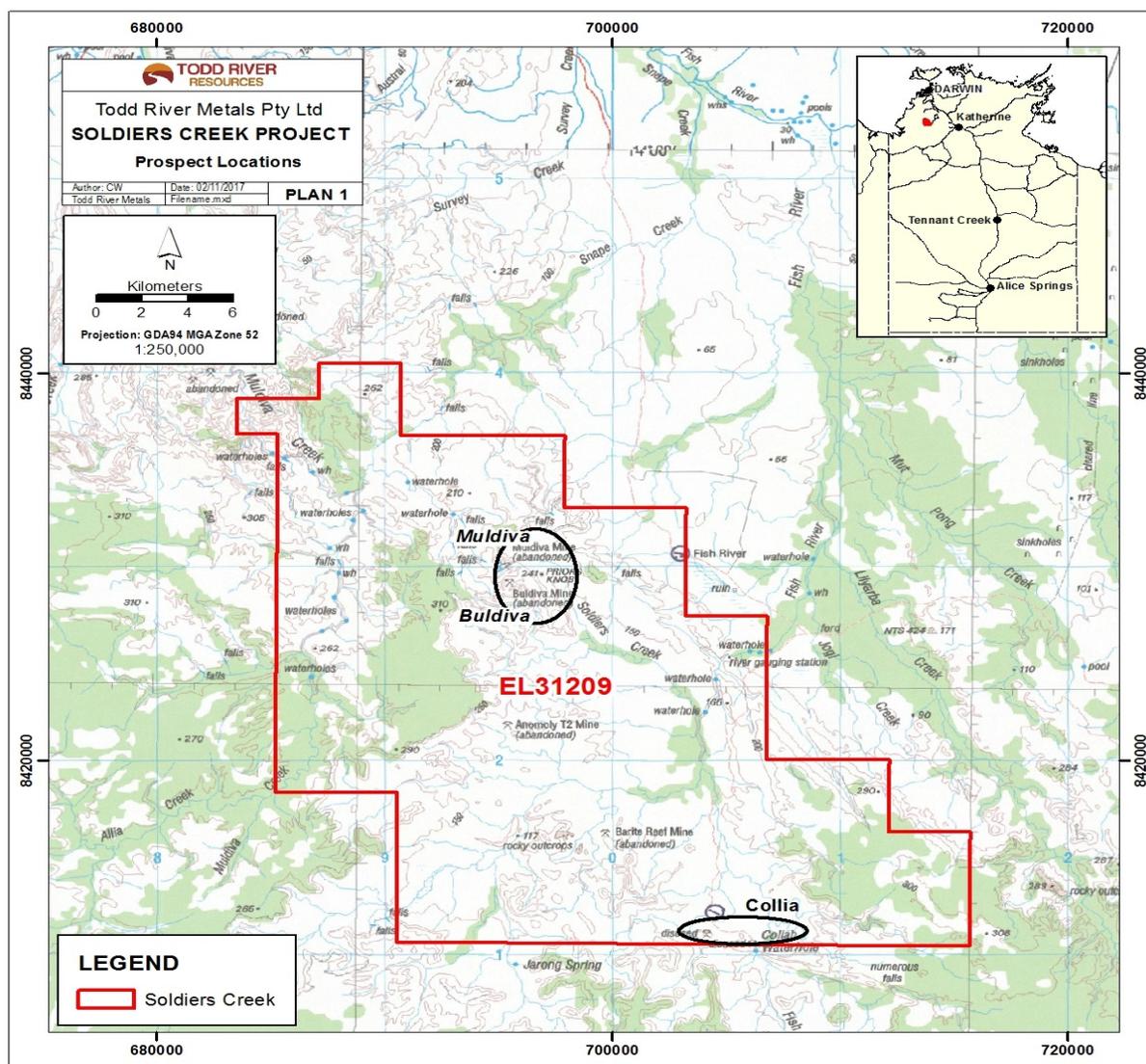


Figure 9. Location of the Soldiers Creek Project, showing the three prospect areas mapped.

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McARTHUR RIVER BASE METALS PROJECT (TRT: 100%)

The McArthur River Project is located 450km south-east of Katherine, within the Mallapunyah, McArthur River and Kiana pastoral stations (Figure 10). Todd River expanded its strategic land-holding in the area during the reporting period by pegging two adjacent licenses, ELAs 31703 and 31704 (*see ASX announcement – 28 September 2017*), increasing the area to 584.32km².

During the year the Company's application for collaborative funding via the Northern Territory Government's Geophysics and Drilling Collaborations Program has been successful. The successful application will result in funding of \$75,000 being contributed towards planned drilling of geophysical targets identified from the SkyTEM survey carried out in 2017.

High-Grade Copper Potential – Southern Copper Area

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

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

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

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

Rock Chip Sampling

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

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

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

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

Channel Sampling

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

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

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

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

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

SkyTEM Survey

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

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

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

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

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

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

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

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

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

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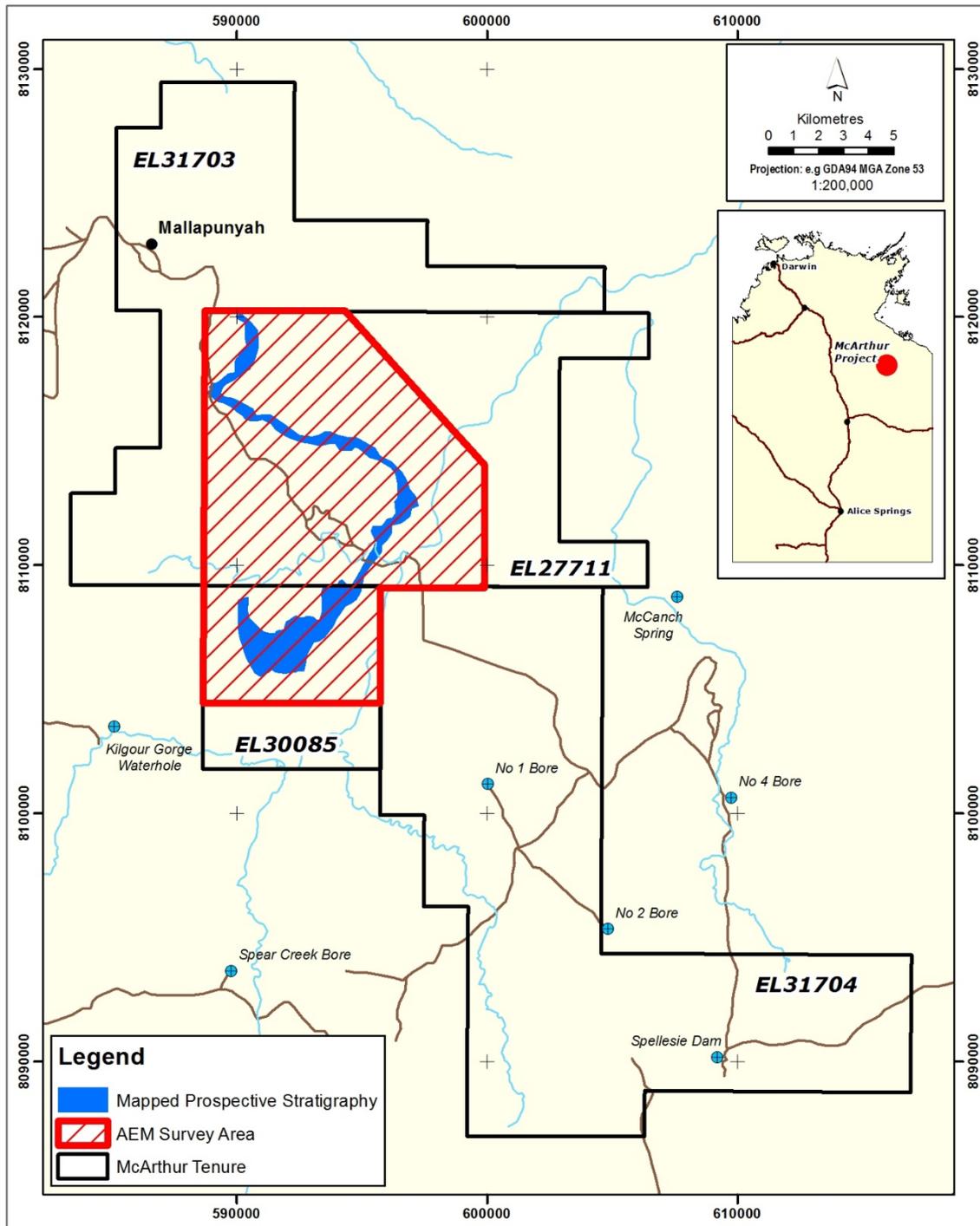


Figure 10. Location of the McArthur River tenure in relation to the mapped prospective stratigraphy and showing the location of the detailed SkyTEM survey completed in August 2017.

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MANBARRUM ZINC-LEAD PROJECT (TRT: 100%)

During the year, Todd River appointed leading mining industry consultants CSA Global to undertake a Conceptual Mining Study on its 100%-owned Manbarrum Zinc-Lead Project, located 70km northeast of Kununurra in the Northern Territory (Figure 11).

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

The Conceptual Mining Study was completed late in the year with positive results at a base-case level. The study also identified several potential areas where returns might be improved, providing a clear pathway for Todd River to progress the project.

A high level summary of the results of the Conceptual Study key results are set out below:

- The base case scenario assumed under the Conceptual Study resulted in a positive cash flow for the Sandy Creek mineral resource.
- The base case assumes a simple open cut mining operation and 500ktpa throughput utilising an on-site processing facility. Other options reviewed included the potential for toll-treatment should a plant be available at the nearby Sorby Hills Project.
- The Conceptual Study assumes a contract mining model.
- A number of areas were identified where significant operational improvements could potentially be realised, including:
 - An investigation into suitable processing strategies to determine an optimal process flowsheet and the grade and characteristics of the concentrates produced;
 - The creation of geo-metallurgical models to understand mineral domains and mineral types;
 - A study on the potential for pre-concentration of the ore to improve plant feed grades, thereby reducing total plant throughput requirements and resulting in capital and operating cost reductions; and
 - A review of potential grade bias in both diamond drilling (under-calling) and reverse circulation drilling (over-calling) to determine the impact, if any, on the resource grade.

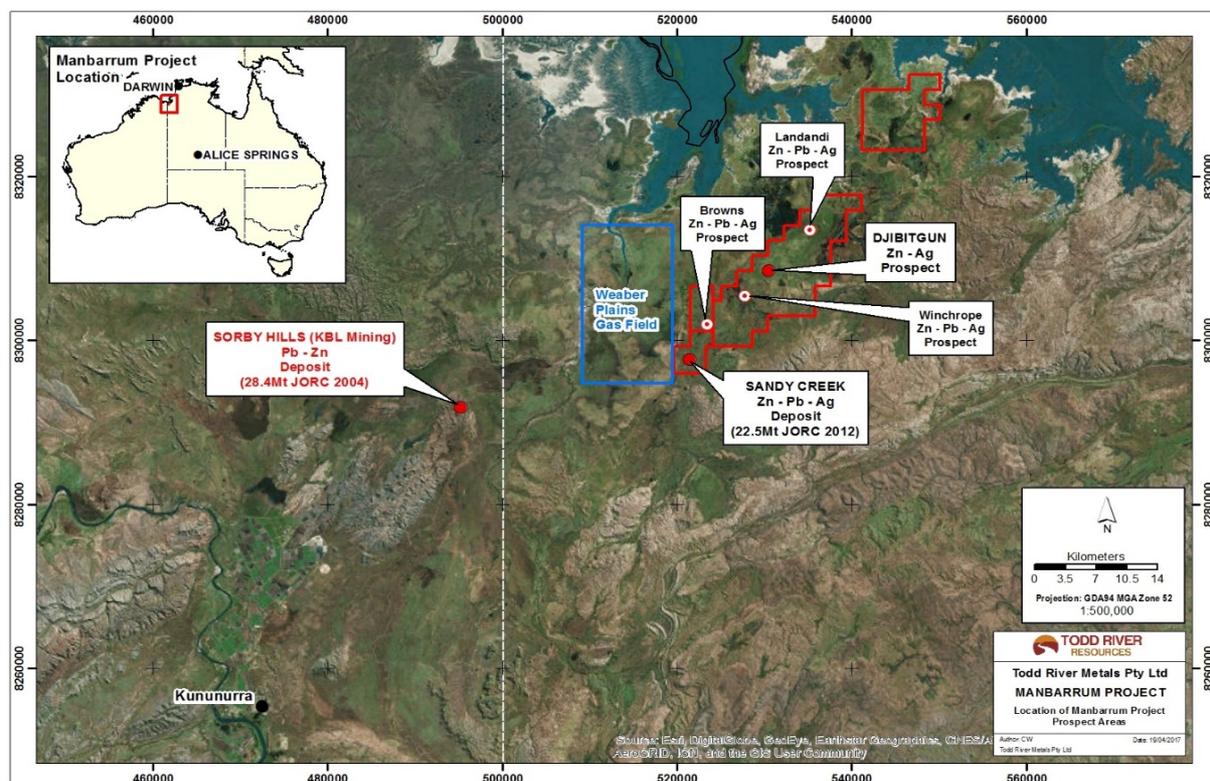


Figure 11. Location plan for the Manbarrum Project and proximity to the Sorby Hills Project.

Todd River Resources Limited

Review of Operations

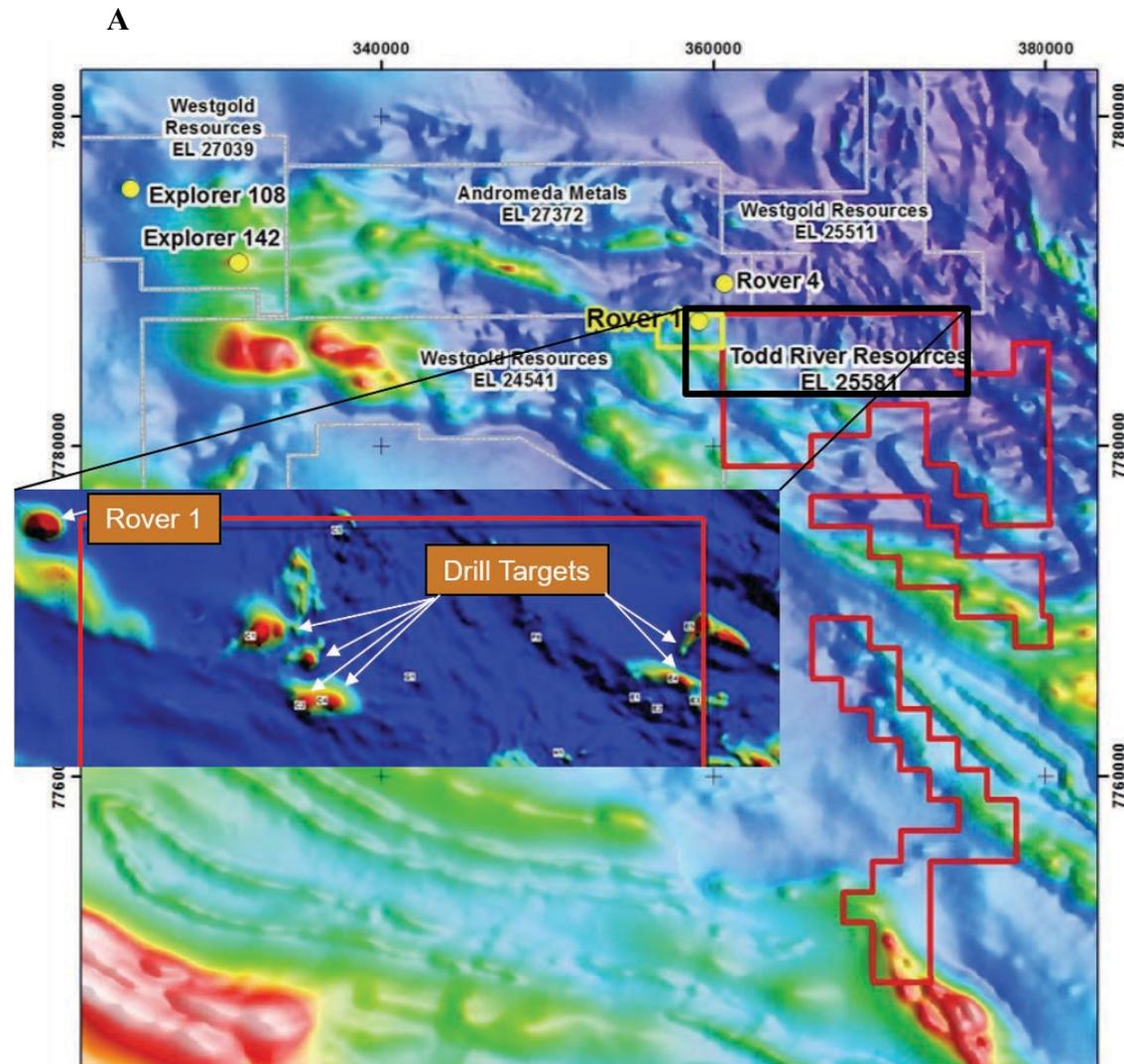
ROVER PROJECT (TRT: 100%)

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

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

The Rover Project's EL 25581 is located in the Tennant Creek area, less than 1km and along-trend from Westgold Resources' Rover 1 Project. It is a significant gold exploration project with numerous untested magnetic anomalies.

During the year the Company's application for collaborative funding via the Northern Territory Government's Geophysics and Drilling Collaborations Program has been successful. The successful application will result in funding of \$125,000 being contributed towards planned drilling of the geophysical targets identified along strike from 1.2Moz (gold equivalent) Rover 1 resource near Tennant Creek, owned by Westgold Resources (ASX: WGX). Figure 12 shows the exploration targets to the south east of Rover.



Todd River Resources Limited Review of Operations

B

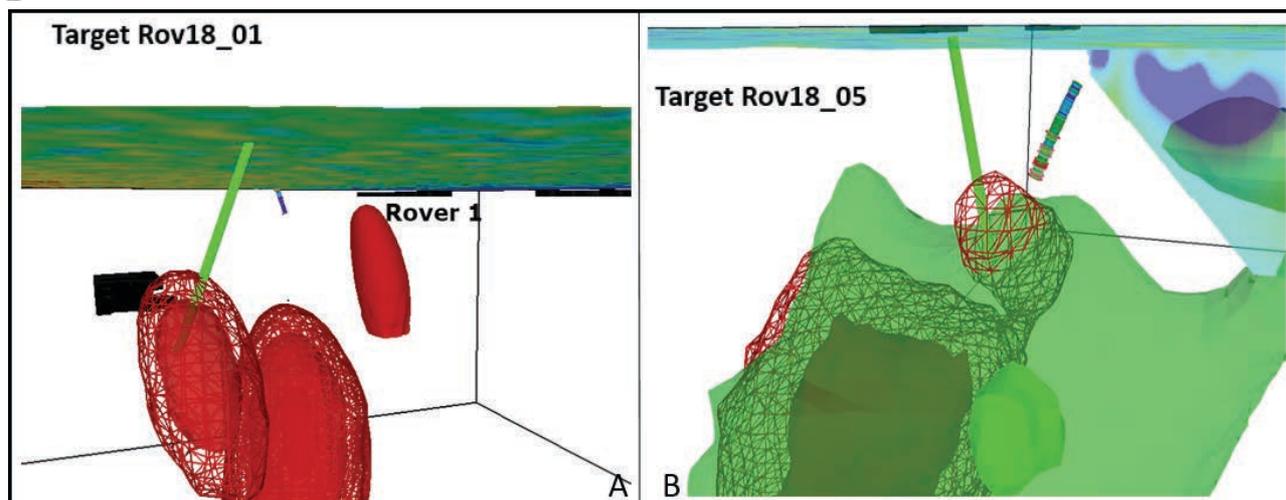


Figure 12. Rover Gold Project showing (A) the location of the Westgold Resources owned Rover 1 resource and drill targets along strike and (B) the geophysical modelling of drill targets and proposed holes shown in green

PETERMANN RANGE PROJECT (TRT:100%)

Following successful discussion with the Traditional Owners and subject to a negotiated exploration agreement, the Company has received consent to grant for five key tenements at its Petermann Range Project (Figure 13).

The area lies wholly within Petermann Aboriginal Land Trust and has not been subjected to any exploration activities for over 40 years. The area is highly prospective for base and precious metals and lies within the Musgrave Province which hosts the Wingellina Nickel-Cobalt Project (Metals X) and the Nebo-Babel base metal resource (Cassini Resources). The Petermann Ranges comprise Neoproterozoic metasediments overlying Mesoproterozoic granite gneiss. The Ranges are located in the northern part of the Musgrave Province, which has seen limited exploration but is considered highly prospective following results gained by BHP Billiton, Metals-X and Cassini Resources. The mafic intrusive-hosted Nebo-Babel Ni-Cu-PGE deposit and Wingellina Ni-Co laterite deposits attest to the potential for large world class resources within the Musgrave Province.

Table 3 lists the Petermann Range tenements that are approved to proceed to grant subject to a negotiated exploration agreement.

Table 3. Petermann Range tenement areas

Tenement	Blocks	Area (sqkm)
EL 25562	205	634
EL 31924	100	305
EL 25564	250	772
EL 31925	250	772
EL 26383	131	407
Total	936	2,890

The Company is planning to commence first pass exploration on these new tenements once the exploration agreement is completed. First pass exploration will include broad spaced surface sampling, and potentially airborne geophysics over high priority areas.

Todd River Resources Limited

Review of Operations

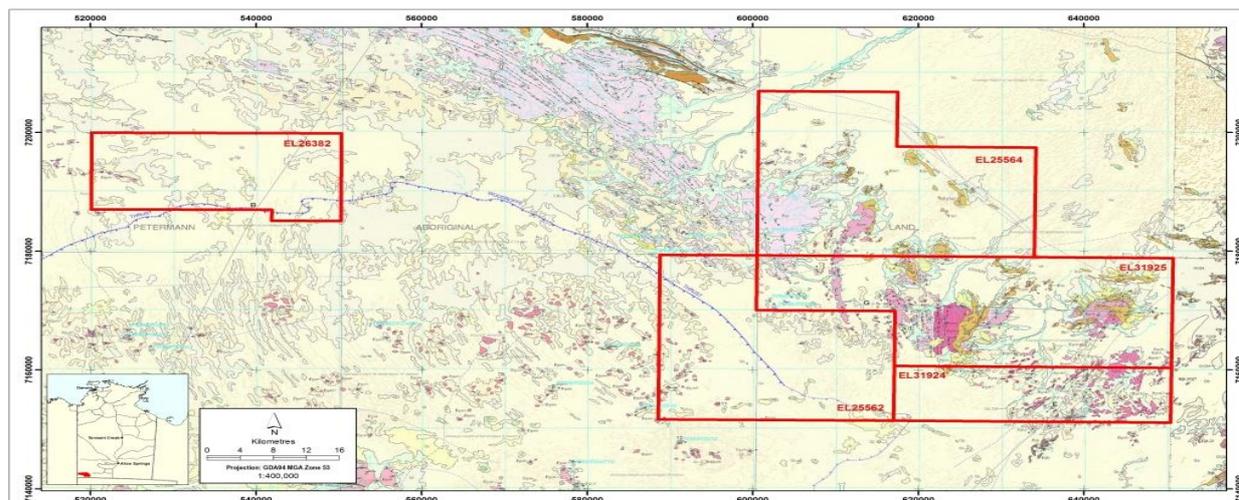


Figure 13. Showing the five tenements that are approved for grant in the Petermann Range area of the Musgrave Province.

CORPORATE

Executive Recruitment

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

Mr Dix 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.

Mr Dix, commenced in the role with Todd River effective from 1 February 2018.

ATO Class Ruling on in-specie distribution of TRT Shares

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

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

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

Cash

At 30 June 2018, the Company had cash of \$1,240,631 (2017: \$4,156,427).

Loss before tax for the year

The loss for the financial year ended 30 June 2018 was \$1,554,571 (2017 loss \$1,740,660).

Exploration and evaluation expenditure

During the year, payments of \$2,242,017 (2017: \$774,994) were made in relation to exploration and evaluation activity.

Lead auditor's independence declaration

The lead auditor's independence declaration is set out on page 31 and forms part of the directors' report for the year ended 30 June 2018.

Todd River Resources Limited Directors' Report

The Directors present their report together with the financial report of Todd River Resources Limited and of the Group, being the Company and subsidiary for the financial year ended 30 June 2018 and the auditor's report thereon.

DIRECTORS

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

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

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

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

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.

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.

Todd River Resources Limited

Directors' Report

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.

William Dix, BSc, MSc, MAusIMM
Chief Executive Officer

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.

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	9	8
Geoffrey Crow	9	9
Rex Turkington	9	9

PRINCIPAL ACTIVITIES

The principal activities of the Group during the course of the financial year were the exploration and evaluation of its Mount Hardy project; the reviews of projects for potential acquisition; the management of its other exploration properties and management of its interests such as in the Manbarrum Project.

Todd River Resources Limited

Directors' Report

REVIEW AND RESULTS OF OPERATIONS

The operating loss of the Group after income tax for the year was \$1,554,571 (2017: loss \$1,740,660). The group had cash costs of \$2,242,017 on Exploration and Evaluation expenditure and had a 30 June 2018 closing cash balance of \$1,240,631 (2017 - \$4,156,427). A review of the operations during the financial year is set out on pages 2 to 21.

Material Business Risks

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

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

DIVIDENDS

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

REMUNERATION REPORT - Audited

1. Principles of Remuneration

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

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

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

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

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

Todd River Resources Limited

Directors' Report

REMUNERATION REPORT – Audited (CONTINUED)

Fixed Remuneration

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

Performance linked compensation

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

Short-term incentive bonus

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

Options

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

Non-executive directors

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

Directors and executives may also receive either a salary plus superannuation guarantee contributions as required by law, currently set at 9.50% (2017: 9.50%), or provide their services via a consultancy arrangement. Directors and executives do not receive any retirement benefits except as stated. Individuals may, however, choose to sacrifice part of their salary to increase payments towards superannuation.

Service Contracts

Paul Burton – Technical Director

- Term of Agreement – appointment commenced 24th June 2014. Remuneration to commence from ASX listing date 6th April 2017 until terminated by either party.
- Directors Fees - \$75,000 per annum excluding super plus any expense incurred.
- Additional monies are paid to 1664 Pty Ltd, a related entity of Mr Burtons, for consulting services and are included in salary and fees.
- Early termination – no notice period applicable

Geoffrey Crow – Non-Executive Director

- Term of Agreement - 6th April 2017 until terminated by either party.
- Directors Fees - \$60,000 per annum excluding super plus any expense incurred.
- Early termination – no notice period applicable

Rex Turkington – Non-Executive Director

- Term of Agreement – 6th April 2017 until terminated by either party.
- Directors Fees - \$60,000 per annum excluding super plus any expense incurred.
- Additional monies are paid to Katarina Corporation Pty Ltd, a related entity of Mr Turkington, for consulting services and are included in salary and fees. During the year \$19,969 was paid to Katarina Corporation Pty Ltd for consulting services.
- Early termination – no notice period applicable

Todd River Resources Limited

Directors' Report

REMUNERATION REPORT – Audited (CONTINUED)

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

- Term of Agreement – 6th April 2017 until terminated by either party.
- Directors Fees - \$80,000 per annum excluding super plus any expense incurred.
- Additional monies are paid to Gimbulki Resources Pty Ltd, a related entity of Mr Fry, for consulting services and are included in salary and fees.
- Early termination – no notice period applicable

Simon Robertson – Company Secretary

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

William Dix – Chief Executive Officer

- Term of Agreement – 01 February 2018 until terminated by either party.
- Salary - \$270,000 plus superannuation
- Early Termination – 3 months written notice or making a payment of 3 month salary in lieu.

2. Directors and Executives officers' remuneration

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

Directors Remuneration for the year ended 30 June 2018

Consolidated		Short Term		Post-Employment	Long Term		Proportion of remuneration performance related
		Salary & Fees ¹	Bonus	Super-annuation	Share-based Payment - Shares/Options	Total	
Directors		\$	\$	\$	\$	\$	%
Edward Fry	2018	80,000	-	-	-	80,000	-
Chairman	2017	24,500	-	-	218,000	242,500	90%
Paul Burton	2018	75,000	-	-	-	75,000	-
Technical Director	2017	18,750	50,000	-	436,000	504,750	86%
Geoffrey Crow	2018	60,000	-	-	-	60,000	-
Non-executive	2017	15,000	-	-	218,000	233,000	94%
Rex Turkington	2018	79,969 ¹	-	-	-	79,969	-
Non-executive	2017	35,400	-	-	218,000	253,400	86%
Total	2018	294,969	-	-	-	294,969	-
	2017	93,650	50,000	-	1,090,000	1,233,650	92%

¹ Includes consulting fees.

Todd River Resources Limited

Directors' Report

REMUNERATION REPORT – Audited (CONTINUED)

Remuneration of key management personnel for the year ended 30 June 2018

Consolidated	Key Management Personnel	Short Term		Post-Employment	Long Term		Proportion of remuneration performance related	
		Salary & Fees	Bonus	Super-annuation	Share-based Payment - Shares/Options	Total		
		\$	\$	\$	\$	\$	%	
	William Dix ¹	2018	111,115	-	10,556	59,000	180,671	33%
		2017	-	-	-	-	-	-
	Simon Robertson	2018	67,232	-	868	-	68,100	-
		2017	47,142	-	207	163,500	210,849	78%
	Total	2018	178,347	-	11,424	59,000	248,771	24%
		2017	47,142	-	207	163,500	210,849	78%

¹ Appointed as CEO on 1st of February 2018

3. Shares and options granted as part of remuneration

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

1,000,000 unlisted options were issued on the same terms and conditions as set out in Sec 15.3 of the company's prospectus dated 31 January 2017, exercisable at \$0.30 on or before 22 March 2020.

The company has also granted 1,000,000 unlisted options exercisable at \$0.175 on or before 01 May 2021 as part of milestone achievements under the company's employee incentive option plan.

The options have no vesting conditions and exercisable immediately from grant date. The options were issued as part of his remuneration package.

4. Exercise of options granted as compensation

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

5. Analysis of options over equity instruments granted as compensation

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

Key Management Personnel	Number of options granted during 2018	Grant date	Fair value per option at grant date (\$)	Exercise price per option	Expiry date	Number of options exercisable as at 30 June 2018
William Dix	1,000,000	01 May 2018	0.019	0.300	22 Mar 2020	1,000,000
William Dix	1,000,000	01 May 2018	0.040	0.175	01 May 2021	1,000,000

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

Todd River Resources Limited

Directors' Report

REMUNERATION REPORT – Audited (CONTINUED)

6. Analysis of movements in options

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

Key Management Personnel	Granted in year \$ (A)	Value of options exercised in year \$
William Dix	59,000	-

(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. 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.

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

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

8. Options over equity instruments

Key Management Personnel	Held at 1 July 2017	Unlisted options granted as remuneration	Listed options acquired as part of IPO offer	Expired	Exercised	Held at 30 June 2018	Vested and exercisable at 30 June 2018
Edward Fry	2,000,000	-	-	-	-	2,000,000	2,000,000
Paul Burton	4,000,000	-	-	-	-	4,000,000	4,000,000
Geoffrey Crow	2,000,000	-	-	-	-	2,000,000	2,000,000
Rex Turkington	2,050,000	-	-	-	-	2,050,000	2,050,000
William Dix	-	2,000,000	-	-	-	2,000,000	2,000,000
Simon Robertson	1,500,000	-	-	-	-	1,500,000	1,500,000

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.

9. Movements in shares

Key Management Personnel	Held at 01 July 2017	Purchases	Received on exercise of options	Sales	Other	Held at 30 June 2018
Edward Fry	34,804	-	-	-	-	34,804
Paul Burton	463,730	-	-	-	-	463,730
Geoffrey Crow	246,212	-	-	-	-	246,212
Rex Turkington	373,179	-	-	-	-	373,179
Simon Robertson	78,527	-	-	-	-	78,527

The audited remuneration report ends here.

Todd River Resources Limited

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	2,000,000
Paul Burton	463,730	4,000,000
Geoffrey Crow	246,212	2,000,000
Rex Turkington	373,179	2,050,000

Options granted to directors and officers of the company

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

LIKELY DEVELOPMENTS

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

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

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

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

ENVIRONMENTAL REGULATIONS

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

INSURANCE PREMIUMS

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

The Company has paid premiums to insure each of the directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director of the Company, other than conduct involving a wilful breach of duty in relation to the Company. The amount of the premium was \$8,189 exclusive of GST.

Todd River Resources Limited

Directors' Report

EVENTS SUBSEQUENT TO REPORTING DATE

On 4th of July 2018, Todd River Resources issued a total of 11,975,031 shares at an issue price of \$0.09 raising approximately \$1,077,753 before costs via placement resulting in an increase to share capital. The funds raised under the Placement will be used primarily to accelerate ongoing diamond drilling and down-hole geophysics program at the Company's 100% Mt Hardy Copper-Zinc Project in the Northern Territory.

Subject to shareholders approval, the company will issue 5,987,515 listed options on the same terms and conditions as listed options on issue to participants in the placement on the basis of 1 option for each 2 shares issued under placement.

On 10 September 2018, the Company announced that it had received firm commitments to raise A\$1,000,000 (before costs) through a placement of 12.5 million fully-paid ordinary shares at an issue price of \$0.08 per share to qualified institutional and sophisticated investors ("Placement"). The Placement will be undertaken in two tranches, with the first tranche of 4,270,000 shares utilising the Company's existing ASX Listing Rule 7.1 capacity and the second tranche of 8,230,000 shares subject to the shareholder approval at the Company's upcoming annual general meeting. Settlement of the first tranche of the Placement occurred on 17 September 2018.

In addition to the Placement, the Company announced that it intended to raise up to a further approximately A\$3.2 million (before costs) via a non-renounceable, pro-rata entitlement offer on the basis of 1 new share for every two ordinary fully-paid shares held in the Company on the record date. The Entitlement Offer will be completed at the same issue price as the Placement (being \$0.08 per share).

Other than as mentioned above or elsewhere in this report, the financial statements or notes thereto, at the date of this report, there are no other matters or circumstances which have arisen since 30 June 2018 that have significantly affected or may significantly affect:

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

ROUNDING

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

NON AUDIT SERVICES

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

AUDITOR INDEPENDENCE DECLARATION

The auditor's independence declaration is included on page 31 of the financial report and forms part of the Directors' report for the financial year ended 30 June 2018.

Signed in accordance with a resolution of the Directors.



Edward Fry
Chairman
21 September 2018



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

To the Directors of Todd River Resources Limited

I declare that, to the best of my knowledge and belief, in relation to the audit of Todd River Resources Limited for the financial year ended 30 June 2018 there have been:

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

KPMG

KPMG

Jane Bailey

Jane Bailey
Partner

Perth
21 September 2018

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

Liability limited by a scheme approved under Professional Standards Legislation.

Todd River Resources Limited Financial Report

Consolidated Statement of Profit or Loss and Other Comprehensive Income For the year ended 30 June 2018

	Note	2018 \$'000	2017 \$'000
Other income		25	-
Total income		25	-
Corporate and administration expenses	6(c)	(636)	(412)
Employment expenses	6(d)	(548)	(1,347)
Impairment loss on exploration	6(b)	(437)	-
Results from operating activities		(1,596)	(1,759)
Financial income	6(a)	42	18
Financial expenses	6(a)	-	-
Net financing income		42	18
Loss before income tax		(1,554)	(1,741)
Income tax expense	8	-	-
Loss for the year attributable to the owners of the Company		(1,554)	(1,741)
Other comprehensive income			
Tax effect on other comprehensive income		-	-
Other comprehensive income net of tax		-	-
Total comprehensive loss for the year attributable to the owners of the company		(1,554)	(1,741)
Loss per share (cents per share)			
Basic loss per share (cents)	9	(2.39)	(11.5)
Diluted loss per share (cents)	9	(2.39)	(11.5)

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

Todd River Resources Limited Financial Report

Consolidated Statement of Financial Position As at 30 June 2018

	Note	2018 \$'000	2017 \$'000
Current assets			
Cash and cash equivalents	11	1,241	4,156
Trade and other receivables	12	167	163
Prepayments		11	1
Total current assets		1,419	4,320
Non-current assets			
Plant and equipment		5	-
Exploration and evaluation expenditure	13	9,832	8,052
Total non-current assets		9,837	8,052
Total assets		11,256	12,372
Current liabilities			
Trade and other payables	14	672	444
Provision		10	-
Total current liabilities		682	444
Total liabilities		682	444
Net assets		10,574	11,928
Equity			
Issued capital	15	12,172	12,031
Reserves		195	195
Accumulated losses		(1,793)	(298)
Total equity		10,574	11,928

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

Todd River Resources Limited Financial Report

Consolidated Statement of Cash Flows For the year ended 30 June 2018

	Note	2018 \$'000	2017 \$'000
Cash flows from operating activities			
Cash receipts from customers		20	-
Cash payments in the course of operations		(823)	(497)
Interest received		42	18
Net cash used in operating activities	19	(761)	(479)
Cash flows from investing activities			
Payments for plants and equipment		(5)	-
Payments for exploration and evaluation expenditure		(2,242)	(775)
Security deposits refunded/(paid)		(48)	(27)
Net cash used in investing activities		(2,295)	(802)
Cash flows from financing activities			
Proceeds from issue of shares and exercise of options	15(a)	-	6,000
Share issue costs	15(a)	-	(563)
Prepaid capital contribution		141	-
Net cash received from financing activities		141	5,437
Net increase/(decrease) in cash and cash equivalents		(2,915)	4,156
Cash at the beginning of the financial year		4,156	-
Cash and cash equivalents at the end of the financial year	11	1,241	4,156

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

Todd River Resources Limited

Notes to the financial statements

Consolidated Statement of Changes in Equity For the year ended 30 June 2018

	Issued Capital \$'000	Accumulated loss \$'000	Reserves \$'000	Total Equity \$'000
At 1 July 2017	-	(217)	-	(217)
Loss for the year	-	(1,741)	-	(1,741)
Total comprehensive loss	-	(1,741)	-	(1,741)
Transactions with owners recorded directly in equity				
Share placement	6,000	-	-	6,000
Share issue costs	(969)	-	-	(969)
Share based payments expense	-	1,660	-	1,660
Share placement TNG Ltd	7,000	-	-	7,000
Additional capital contribution by Owners/shareholders (Note 21(a))	-	-	195	195
At 30 June 2017	12,031	(298)	195	11,928
At 1 July 2017	12,031	(298)	195	11,928
Loss for the year	-	(1,554)	-	(1,554)
Total comprehensive loss	-	(1,554)	-	(1,554)
Transactions with owners recorded directly in equity				
Prepaid capital contribution ¹	141	-	-	141
Share based payments expense	-	59	-	59
At 30 June 2018	12,172	(1,793)	195	10,574

¹ Payment received in advance for share placement in July 2018.

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

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

Todd River Resources Limited

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 Suite 20, Railway Road Subiaco, Western Australia 6008. The consolidated financial report of the Company as at and for the year ended 30 June 2018 comprises the Company and its subsidiary (together referred to as the 'Group'). The Group is a for profit entity and primarily is involved in the exploration of minerals within Australia.

2 BASIS OF PREPARATION

(a) Statement of compliance

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

(b) Basis of measurement

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

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

(c) Functional and presentation currency

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

(d) Use of estimates and judgements

Set out below is information about:

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

Critical Judgements

Estimates and assumptions

i. Exploration and evaluation assets

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

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

Todd River Resources Limited

Notes to the financial statements

2 BASIS OF PREPARATION (CONTINUED)

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(g). The carrying amounts of exploration and evaluation assets are set out in note 13.

ii. Share based payments

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

(e) Going Concern

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

Whilst not immediately required, the Group may need to raise additional funds to meet its ongoing obligations and subject to the results of its ongoing exploration activities, expand or accelerate its work programs. Additional sources of funding available to the Group include capital raising from new or existing shareholders, or through farm-in or similar arrangements.

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

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

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.

Todd River Resources Limited

Notes to the financial statements

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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.

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.

Todd River Resources Limited

Notes to the financial statements

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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;
- (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) Leased assets

Leases in terms of which the Group assumes substantially all of the risks and rewards of ownership are classified as finance leases. Lease payments are accounted for as described in note 3(n).

(iii) 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.

Todd River Resources Limited

Notes to the financial statements

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(iv) 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) Foreign currency translation

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

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

(f) Financial instruments

(i) Non-derivative financial instruments

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

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

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

Cash and cash equivalents comprise cash balances and call deposits.

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

Todd River Resources Limited

Notes to the financial statements

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Loans and borrowings

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

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

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

Other

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

(ii) Share capital

Ordinary shares

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

(g) Exploration and Evaluation assets

Exploration for and evaluation of mineral resources is the search for mineral resources after the entity has obtained legal rights to explore in a specific area, as well as the determination of the technical feasibility and commercial viability of extracting the mineral resource. Accordingly, exploration and evaluation expenditure are those expenditures by the Group in connection with the exploration for and evaluation of minerals resources before the technical feasibility and commercial viability of extracting a mineral resources are demonstrable.

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

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

- a) The rights to tenure of the area of interest are current; and
- b) At least one of the following conditions is also met:

- (i) The expenditure is expected to be recouped through successful development and commercial exploitation of an area of interest, or alternatively by its sale; or
- (ii) Exploration and evaluation activities in the area of interest have not, at reporting date, reached a stage which permits a reasonable assessment of the existence or otherwise of 'economically recoverable reserves' and active and significant operations in, or in relation to, the area of interest are continuing. Economically recoverable reserves are the estimated quantity of product in an area of interest that can be expected to be profitably extracted, processed and sold under current and foreseeable conditions.

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.

Todd River Resources Limited

Notes to the financial statements

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

Impairment testing of exploration and evaluation assets

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

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

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

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

(h) Impairment

(i) Financial assets

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

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate.

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

All impairment losses are recognised in profit or loss.

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

Available-for-sale-assets

An impairment loss in respect of an available-for-sale financial asset is calculated by reference to its current fair value. A gain or loss shall be recognised in other comprehensive income until the financial asset is derecognised. At that time, the cumulative gain or loss previously recognised in other comprehensive income shall be reclassified from equity to profit or loss.

Todd River Resources Limited

Notes to the financial statements

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

When a decline in the fair value of the asset has been recognised in other comprehensive income and there is objective evidence that the asset is impaired, the cumulative loss that had been recognised in other comprehensive income shall be reclassified from equity to profit or loss as a reclassification adjustment even though the financial asset has not been derecognised. The amount of the cumulative loss that is reclassified from equity to profit or loss shall be the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss.

Any further decreases in the fair value will directly be recognised in profit and loss. Impairment losses recognised in profit or loss for an investment in an equity instrument classified as available for sale shall not be reversed through profit or loss.

(ii) Non-financial assets

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

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

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

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

(i) Employee benefits

(i) Share based payments

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

(ii) Short term benefit

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

Todd River Resources Limited

Notes to the financial statements

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(iii) Defined contribution funds

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

(j) Earnings per share

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

(k) Income and Expenses

(i) Operating lease payments

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

(ii) Finance income and expenses

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

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

(l) Leased assets

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

(m) 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.

(n) 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 2017, and has 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.

Todd River Resources Limited

Notes to the financial statements

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) AASB 9 *Financial Instruments*:

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

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

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

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

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

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

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

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

(iii) AASB 16 *Leases*

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

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

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

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

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

The Group does not have significant leases.

AASB16 is effective for annual reporting periods beginning on or after 1 January 2019,

(o) **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 2017.

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

Todd River Resources Limited

Notes to the financial statements

4 DETERMINATION OF FAIR VALUES

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

(i) Other receivables, trade and other payables

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

(ii) Share-based payment transactions

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

5 FINANCIAL RISK MANAGEMENT

Overview

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

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

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

Credit risk

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

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

Cash and cash equivalents

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

Todd River Resources Limited

Notes to the financial statements

5 FINANCIAL RISK MANAGEMENT (CONTINUED)

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:

	Note	Consolidated Carrying amount	
		2018 \$'000	2017 \$'000
Trade and other receivables	12	81	27
Cash and cash equivalents	11	1,241	4,156
		1,322	4,183

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

Liquidity risk

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

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

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

Consolidated

30 June 2018

Note	Carrying amount \$'000	Contractual cash	
		flows \$'000	<3 months \$'000
Trade and other payables	14	672	672
		672	672

30 June 2017

Note	Carrying amount \$'000	Contractual cash	
		flows \$'000	<3 months \$'000
Trade and other payables	14	444	444
		444	444

Todd River Resources Limited

Notes to the financial statements

5 FINANCIAL RISK MANAGEMENT (CONTINUED)

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	
		2018 \$'000	2017 \$'000
Variable rate instruments			
Cash and cash equivalents	11	1,241	4,156
Fixed rate instruments			
Security deposits	12	76	27
		1,317	4,183

Fair value sensitivity analysis for fixed rate instruments

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

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased or decreased the Group's equity and profit or loss by \$12,410 (2017: \$41,560).

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.

Todd River Resources Limited

Notes to the financial statements

5 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.

6 INCOME AND EXPENSES

	Note	Consolidated	
		2018 \$'000	2017 \$'000
(a) Net financial income			
Interest income		42	18
Finance income		42	18
Finance expense		-	-
Net finance income		42	18
(b) Impairment loss exploration tenements			
Impairment		437	-
Total Impairment loss		437	-
(c) Corporate and Administration expenses			
Travel and accommodation		65	11
Legal fees		32	14
Promotional		72	64
Contractors and consultancy		148	84
Occupancy		85	14
Other		234	225
Total Corporate and Administration		636	412
(d) Employment expenses			
Wages and salaries		475	91
Contributions to defined contribution plans		14	2
Equity settled share- based payment transaction		59	1,254
Total Employment expenses		548	1,347

Todd River Resources Limited

Notes to the financial statements

7 AUDITORS' REMUNERATION

	Consolidated	
	2018 \$	2017 \$
Auditors of the Group <i>KPMG Australia:</i> Audit and review of financial reports	47,731	17,000
	<u>47,731</u>	<u>17,000</u>

8 INCOME TAX

	Consolidated	
	2018 \$'000	2017 \$'000
A reconciliation between tax expense and pre-tax loss:		
Accounting (loss) before income tax	(1,554)	(1,741)
At the domestic tax rate of 30% (2017: 30%)	(466)	(522)
<i>Reconciling items</i>		
Items relating to the period when Todd River Resources Ltd was a member of TNG Ltd's income tax consolidated group	-	60
Share-based payments – non deductible for income tax purposes	18	376
Other non-deductible/non-assessable items	1	-
Adjustment for prior year	15	-
Tax losses and temporary differences not brought to account	432	86
Income tax expense reported in the income statement	<u>-</u>	<u>-</u>
Unused tax losses carried forward	5,075	1,418
Potential tax benefit @ 30%	1,523	426
Tax losses offset against deferred tax liabilities	(966)	(391)
Unrecognised tax benefit	557	35

All unused tax losses were incurred by Australian entities.

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

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

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

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

Todd River Resources Limited

Notes to the financial statements

8 INCOME TAX (CONTINUED)

Deferred income tax

Statement of financial position	Consolidated	
	2018 \$'000	2017 \$'000
Deferred income tax relates to the following:		
<i>Deferred Tax Liabilities</i>		
Exploration and evaluation assets	979	393
Other		-
<i>Deferred Tax Assets</i>		
Other	(13)	(2)
Deferred tax assets used to offset deferred tax liabilities (tax losses)	(966)	(391)
	-	-

9 EARNINGS PER SHARE

The calculation of basic earnings per share for the year ended 30 June 2018 was based on the loss attributable to ordinary shareholders of \$1,554,571 and a weighted average number of ordinary shares on issue during the year ended 30 June 2018 of 65,000,100

Loss attributable to ordinary shareholders

	2018 \$'000	2017 \$'000
(Loss) for the period	(1,554)	(1,741)
(Loss) attributable to ordinary shareholders	(1,554)	(1,741)

Weighted average number of ordinary shares

	2018 Numbers	2017 Numbers
Number of ordinary shares at 1 July	65,000,100	100
Effect of shares issued	-	15,178,495
Weighted average number of ordinary shares at 30 June	65,000,100	15,178,595

Effect of dilutive securities

Todd River's potential ordinary shares at 30 June 2018, being its options, are not considered dilutive as the conversion of these options would not increase the net loss per share.

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

10 SEGMENT INFORMATION

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

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

Todd River Resources Limited

Notes to the financial statements

11 CASH AND CASH EQUIVALENTS

	Consolidated	
	2018 \$'000	2017 \$'000
Cash at bank	1,241	4,156
	1,241	4,156

12 TRADE AND OTHER RECEIVABLES

	Consolidated	
	2018 \$'000	2017 \$'000
Current		
Trade and Other Receivables	5	-
Short term security deposits ¹	76	27
GST receivables	86	136
	167	163

¹ Bonds to support unconditional environmental performance.

13 EXPLORATION AND EVALUATION EXPENDITURE

	Consolidated	
	2018 \$'000	2017 \$'000
Cost		
Balance at 1 July	8,052	-
Exploration and evaluation expenditure	2,217	1,052
Exploration assets purchased from TNG Ltd	15(a) -	7,000
Impairment	(437)	-
Balance at 30 June	9,832	8,052

The ultimate recovery of the carrying amount of costs carried forward for exploration and evaluation phases is dependent on the successful development and commercial exploitation or sale of the respective areas. At balance date the carrying amount of exploration and evaluation expenditure was \$9,832,178 of which \$5,008,778 is attributable to the entity's Manbarrum project, \$2,091,018 (2017: \$1,248,908) attributable to the Mount Hardy project and the balance relating to other current exploration programs.

An impairment expense of \$437,569 was recognised during the year and consisted of \$296,377 and \$141,192 relating to tenements that were relinquished on the Walabanba project EL26848 and EL27115.

14 TRADE AND OTHER PAYABLES

	Consolidated	
	2018 \$'000	2017 \$'000
Current		
Trade payables ¹	387	271
Trade Creditor TNG Ltd ²	139	112
Other Payables ¹	146	61
	672	444

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

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

Todd River Resources Limited

Notes to the financial statements

15 CAPITAL

	Consolidated	
	2018 \$'000	2017 \$'000
Issued and paid-up share capital	12,031	12,031

(a) Movements in shares on issue

	2018		2017	
	Number	\$'000	Number	\$'000
Balance at the beginning of year	65,000,100	12,031	-	-
TNG Ltd Share allotment			35,100,100	7,000
Share placement	-	-	30,000,000	6,000
Prepaid Capital Contribution ¹	-	141	-	-
Share issue costs	-	-	-	(969)
Balance at end of year	65,000,100	12,172	65,000,100	12,031

¹ Payment received in advance for share placement in July 2018

Terms and conditions of contributed equity

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

(b) Options on issue

Grant Date	Expiry Date	Exercise Price	Number at end of year	
			2018	2017
17 March 2017	22 March 2020 ¹	\$0.250	3,500,000	3,500,000
17 March 2017	22 March 2020	\$0.300	11,500,000	11,500,000
01 May 2018 ²	22 March 2020	\$0.300	1,000,000	-
01 May 2018 ²	01 May 2021	\$0.175	1,000,000	-

¹ Unlisted options issued to key management personnel as disclosed in the remuneration report. The options are exercisable immediately from grant date.

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

(c) Dividends

No dividends were declared or paid during the 2018 financial year.

Todd River Resources Limited

Notes to the financial statements

16 COMMITMENTS

Exploration expenditure commitments

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

	Consolidated	
	2018 \$'000	2017 \$'000
Exploration commitments payable not provided for in the financial report:		
Within one year	881	775

17 CONTINGENT LIABILITIES

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

	Consolidated	
	2018 \$'000	2017 \$'000
Guarantees		
A guarantee has been provided to support unconditional environmental performance bonds	76	27
Total estimated contingent liabilities	76	27

The group has a security deposit of \$40,000 representing bank guarantees for credit card purchases and \$35,595 for various tenements paid to Department of Primary Industry and Resources.

Indemnities have been provided to Directors and certain executive officers of the Company in respect of liabilities to third parties arising from their positions, except where the liability arises out of conduct involving a lack of good faith. No monetary limit applies to these agreements and there are no known obligations outstanding at 30 June 2018.

18 CONSOLIDATED ENTITIES

<i>Subsidiaries</i>	Country of Incorporation	2018 % of Ownership	2017 % of Ownership
Todd River Metals Pty Ltd	Australia	100	100

Todd River Resources Limited

Notes to the financial statements

19 NOTES TO THE STATEMENTS OF CASH FLOWS

Reconciliation of cash flows from operating activities

	Consolidated	
	2018 \$'000	2017 \$'000
Net profit/(loss) for the period	(1,554)	(1,741)
Add/(less) non-cash items:		
Share based payments	59	1,254
Impairment loss on exploration	437	-
	(1,058)	(487)
Change in assets and liabilities:		
Decrease/(increase) in receivables	35	(136)
Decrease/(increase) in prepayments	-	(1)
Decrease/(increase) in payables	262	145
Net cash used in operating activities	(761)	(479)

20 SHARE BASED PAYMENTS

Options issued to key management personnel

Grant Date	Expiry Date	Exercise Price	Number at end of year	
			2018	2017
01 May 2018 ¹	22 March 2020 ¹	\$0.300	1,000,000	3,500,000
01 May 2018 ¹	01 May 2021	\$0.175	1,000,000	11,500,000

¹ Options issued to key management personnel as disclosed in the remuneration report. The options have no vesting conditions and are exercisable immediately from grant date.

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

Employee expenses

	Note	Consolidated	
		2018 \$'000	2017 \$'000
Total expense recognised as employee expenses	6(d)	59	1,254

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

	Issue 1	Issue 2
Dividend yield	0.00%	0.00%
Share price at date of grant	\$0.084	\$0.084
Exercise price	\$0.30	\$0.175
Volatility	100%	100%
Risk free rate	2.05%	2.18%
Expiration date	22 Mar 2020	01 May 2021
Binomial valuation	\$0.019	\$0.040

Todd River Resources Limited

Notes to the financial statements

20 SHARE BASED PAYMENTS (CONTINUED)

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

	Consolidated		Weighted average exercise price 2017 \$	Number of options 2017
	Weighted average exercise price 2018 \$	Number of options 2018		
Outstanding at 1 July	0.288	15,000,000	-	-
Expired during the period	-	-	-	-
Exercised during the year	-	-	-	-
Granted during the period	0.238	2,000,000	0.288	15,000,000
Outstanding during the period	0.263	17,000,000	0.288	15,000,000
Exercisable at 30 June	0.263	17,000,000	0.288	15,000,000

The options outstanding at 30 June 2018 have an average remaining contractual life of 21 and 34 months respectively and an exercise price ranging from \$0.175 to \$0.30.

21 RELATED PARTIES

(a) TNG Limited

The Company entered into an Administrative Services Agreement with TNG Limited. The fees and costs associated with the agreement included 40% of TNG Limited's administration expenditure per month in lieu of the services and facilities provided by TNG Limited. Geological staff costs and services are also on charged from TNG Limited to Todd River Resources as part of the agreement. \$803,111 (2017: \$213,065) has been incurred for the year ended 30 June 2018 and has been included in Corporate and Admin expenses and capitalised Exploration and Evaluation expenditures.

(b) Compensation of key management personnel

Key management personnel compensation comprised the following:

Compensation by category	Consolidated	
	2018 \$'000	2017 \$'000
<i>Key Management Personnel</i>		
Short-term	485	191
Post-employment	-	-
Share-based payments	59	1,254
	544	1,445

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

(c) Other transactions with key management personnel

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

During the year consulting fees were paid to Katarina Corporation Pty Ltd \$19,969, and SLR Consulting \$58,100 of which Rex Turkington and Simon Robertson are related parties respectively. These fees are included in salaries and fees in the remuneration report.

Todd River Resources Limited

Notes to the financial statements

22 PARENT ENTITY INFORMATION

For the financial year ended 30 June 2018 the parent entity of the Group was Todd River Resources Limited. The summary of financial information is as follows.

	2018 \$'000	2017 \$'000
Current assets	1,260	4,189
Non-current assets	9,721	7,911
Total assets	10,981	12,100
Current liabilities	408	159
Total liabilities	408	159
Issued capital	(12,172)	(12,031)
Reserves	(195)	(195)
Accumulated losses	1,794	285
Total equity	10,573	11,941
Profit or loss of the parent entity	(1,567)	(1,732)
Total comprehensive income/(loss) of the parent entity	(1,567)	(1,732)

Tax consolidation

Todd River Resources Limited and its 100% owned Australian subsidiary 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.

23 EVENTS SUBSEQUENT TO BALANCE DATE

On 4th of July 2018, Todd River Resources issued a total of 11,975,031 shares at an issue price of \$0.09 raising approximately \$1,077,753 before costs via placement resulting in an increase to share capital. The funds raised under the Placement will be used primarily to accelerate ongoing diamond drilling and down-hole geophysics program at the Company's 100% Mt Hardy Copper-Zinc Project in the Northern Territory.

Subject to shareholders approval, the company will issue 5,987,515 listed options on the same terms and conditions as listed options on issue to participants in the placement on the basis of 1 option for each 2 shares issued under placement.

On 10 September 2018, the Company announced that it had received firm commitments to raise A\$1,000,000 (before costs) through a placement of 12.5 million fully-paid ordinary shares at an issue price of \$0.08 per share to qualified institutional and sophisticated investors ("Placement"). The Placement will be undertaken in two tranches, with the first tranche of 4,270,000 shares utilising the Company's existing ASX Listing Rule 7.1 capacity and the second tranche of 8,230,000 shares subject to the shareholder approval at the Company's upcoming annual general meeting. Settlement of the first tranche of the Placement occurred on 17 September 2018.

In addition to the Placement, the Company announced that it intended to raise up to a further approximately A\$3.2 million (before costs) via a non-renounceable, pro-rata entitlement offer on the basis of 1 new share for every two ordinary fully-paid shares held in the Company on the record date. The Entitlement Offer will be completed at the same issue price as the Placement (being \$0.08 per share).

Other than as mentioned above, or elsewhere in this report, financial statements or notes thereto, at the date of this report, there are no other matters or circumstances which have arisen since 30 June 2018 that have significantly affected or may significant affect:

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

Todd River Resources Limited Directors Declaration

- 1 In the opinion of the directors of Todd River Resources Limited (the "Company"):
 - (a) the financial statements and notes, and the Remuneration report in the Director's report, set out on pages 20 to 57, 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 2018 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 2018.
- 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:



Edward Fry
Chairman
Dated 21 September 2018



Independent Auditor's Report

To the shareholders of Todd River Resources Limited

Report on the audit of the Financial Report

Opinion

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

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

- giving a true and fair view of the **Group's** financial position as at 30 June 2018 and of its financial performance for the year ended on that date; and
- complying with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The **Financial Report** comprises:

- Consolidated Statement of Financial Position as at 30 June 2018
- Consolidated Statement of Profit or Loss and Other Comprehensive Income, Consolidated Statement of Changes in Equity, and Consolidated Statement of Cash Flows for the year then ended
- Notes including a summary of significant accounting policies
- Directors' Declaration.

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

Basis for opinion

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

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Group in accordance with *the Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with the Code.

Key Audit Matters

Key Audit Matters are those matters that, in our professional judgment, 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.

We have determined the matter described below to be a Key Audit Matter.

Carrying value of exploration and evaluation expenditure (\$9,832,000)

Refer to Note 13 'Exploration and evaluation expenditure'

The key audit matter	How the matter was addressed in our audit
<p>The carrying value of exploration and evaluation expenditure (E&E) is a key audit matter due to:</p> <ul style="list-style-type: none"> the significance of the activity to the Group's business; and the greater level of audit effort to evaluate the Group's application of the requirements of the industry specific accounting standard AASB 6 <i>Exploration for and Evaluation of Mineral Resources</i>, in particular the conditions allowing capitalisation of relevant expenditure and assessment of impairment indicators. The presence of impairment indicators would necessitate a detailed analysis by the Group of the value of E&E, therefore given the criticality of this to the scope and depth of our work, we involved senior team members to challenge the Group's determination that no such indicators existed. <p>In assessing the conditions allowing capitalisation of relevant expenditure, we focused on:</p> <ul style="list-style-type: none"> the determination of the areas of interest; documentation available regarding rights to tenure, via licenses, and compliance with relevant conditions, to maintain current rights to an area of interest and the Group's intention and capacity to continue the relevant E&E activities; and the Group's determination of whether the E&E are expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale. <p>In assessing the presence of impairment indicators, we focused on those that may draw into question the commercial continuation of E&E activities for areas of interest where significant capitalised E&E exists. We paid particular attention to:</p> <ul style="list-style-type: none"> the determination by the Group of whether E&E is expected to be recovered by successful development; the ability of the Group to fund the continuation of activities; and results from latest activities regarding the existence or otherwise of economically recoverable reserves/commercially viable quantity of reserves. 	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> Evaluating the Group's accounting policy to recognise exploration and evaluation assets using the criteria in the accounting standard. We assessed the Group's determination of its areas of interest for consistency with the definition in the accounting standard. This involved analysing the licenses in which the Group holds an interest and the exploration programmes planned for those for consistency with documentation such as licenses related technical conditions, joint venture agreements, results of the latest activities and planned work programmes. For each area of interest, we assessed the Group's current rights to tenure by corroborating the ownership of the relevant licenses to government registries and evaluating agreements in place with other parties. We also tested for compliance with conditions, such as minimum expenditure requirements, on a sample of licenses. We tested the Group's additions to E&E for the year by evaluating a statistical sample of recorded expenditure for consistency to underlying records, the capitalisation requirements of the Group's accounting policy and the requirements of the accounting standard. We evaluated documents, such as minutes of Board meetings and ASX announcements for consistency with their stated intentions for continuing E&E in certain areas. We corroborated this through interviews with key operational and finance personnel. We analysed the Group's determination of recoupment through successful development and exploitation of the area by evaluating the Group's documentation of planned future/continuing activities including work programmes and project and corporate budgets for a sample of areas.



Other Information

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

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

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

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

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- to issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Financial Report.

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



Report on the Remuneration Report

Opinion

In our opinion, the Remuneration Report of Todd River Resources Limited for the year ended 30 June 2018, complies with *Section 300A of the Corporations Act 2001*.

Directors' responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with *Section 300A of the Corporations Act 2001*.

Our responsibilities

We have audited the Remuneration Report included in pages 22 to 26 of the Directors' report for the year ended 30 June 2018.

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

KPMG

Jane Bailey
Partner

Perth
21 September 2018

Todd River Resources Limited Corporate Governance Statement

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

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

This Statement was approved by the Board of Directors and is current as at 21 September 2018.

PRINCIPLE 1: LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

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

The Company has complied with this recommendation.

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

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

The Company has complied with this recommendation.

The Company will conduct appropriate checks prior to the appointment of a Director. No new directors have been appointed during the financial year.

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

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

The Company has complied with this recommendation.

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

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

The Company has complied with this recommendation.

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

ASX Recommendation 1.5: A listed entity should:

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

The Company partly complies with this recommendation.

Todd River Resources Limited Corporate Governance Statement

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

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

As at 30 June 2018, the Company does not have any female Board members or senior managers 2018: nil (2017:nil). Of the balance of the Company's employees 43% are female (2017: 100%). 27% (2017: 20%) of the Company's employees in total, including Directors, are female.

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

The Company has complied with this recommendation.

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

A performance review was undertaken during the reporting period.

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

The Company has complied with this recommendation.

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

A performance review was undertaken during the reporting period.

PRINCIPLE 2: STRUCTURE THE BOARD TO ADD VALUE

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

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

The Company has not complied with this recommendation.

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

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

The Company has complied with this recommendation.

Todd River Resources Limited Corporate Governance Statement

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

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

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

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

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

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

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

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

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

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

The Company has complied with this recommendation.

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

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

The respective appointment date of each Director is:

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

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

The Company has not complied with this recommendation.

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

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

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

Todd River Resources Limited Corporate Governance Statement

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

The Company has complied with this recommendation

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

The Company appointed William Dix as Chief Executive Officer on 01 February 2018.

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

The Company has complied with this recommendation.

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

PRINCIPLE 3: ACT ETHICALLY AND RESPONSIBLY

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

The Company has complied with this recommendation.

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

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

PRINCIPLE 4: SAFEGUARD INTEGRITY IN FINANCIAL REPORTING

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

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

The Company has not complied with this recommendation.

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

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

Todd River Resources Limited Corporate Governance Statement

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

The Company partly complies with this recommendation.

The Board has received the assurance required by ASX Recommendation 4.2 in respect of the financial statements for the half year ended 31 December 2017 and the full year ended 30 June 2018. Given the size and nature of the Company's operations the Board has not received the assurance in respect of the quarterly cash flow statements believing that the provision of the assurance for the half and full year financial statements is sufficient.

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

The Company has complied with this recommendation.

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

PRINCIPLE 5: MAKE TIMELY AND BALANCED DISCLOSURE

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

The Company has complied with this recommendation.

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

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

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

PRINCIPLE 6: RESPECT THE RIGHTS OF SHAREHOLDERS

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

The Company has complied with this recommendation.

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

Todd River Resources Limited Corporate Governance Statement

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

The Company has complied with this recommendation.

The Company's CEO is currently the Company's contact for investors and potential investors and makes himself available to discuss the Company's activities when requested. Where appropriate Directors provide assistance to the CEO in dealing with investor relations.

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

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

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

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

The Company has complied with this recommendation.

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

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

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

The Company has complied with this recommendation.

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

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

PRINCIPLE 7: RECOGNISE AND MANAGE RISK

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

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

The Company has not complied with this recommendation.

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

Todd River Resources Limited Corporate Governance Statement

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

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

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

The Company has complied with this recommendation.

The Board conducted such a review during the reporting period.

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

The Company has complied with this recommendation.

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

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

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

The Company has complied with this recommendation.

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

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

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

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

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

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

Todd River Resources Limited Corporate Governance Statement

PRINCIPLE 8: REMUNERATE FAIRLY AND RESPONSIBLY

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

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

The Company has not complied with this recommendation.

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

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

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

The Company has complied with this recommendation.

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

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

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

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

The Company has complied with this recommendation.

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

Todd River Resources Limited ASX additional information

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

Twenty largest shareholders as at 17 September 2018

Rank	Name	Units	% of Units
1	TNG LIMITED	7,000,000	9.09
2	MR WARREN WILLIAM BROWN + MRS MARILYN HELENA BROWN <WWB INVESTMENTS P/L S/F A/C>	2,784,312	3.62
3	BELLAIRE CAPITAL PTY LTD <BELLAIRE CAPITAL INVEST A/C>	2,700,000	3.51
4	HC INVESTMENT HOLDINGS PTY LIMITED <THE JC A/C>	2,300,000	2.99
5	AOSU INVESTMENT AND	1,956,280	2.54
6	MS PING WANG <PING WANG FAMILY A/C>	1,100,000	1.43
7	BONOS PTY LTD	1,020,000	1.33
8	MRS PAULINE MARY DEEVES	1,000,000	1.30
9	MR GEORGE DAVID BUTKERAITIS	818,000	1.06
10	MR CHRISTOPHER HAROLD MAY + MS JULIE CATHERINE WIGGINS <MAY SUPER FUND A/C>	800,000	1.04
11	MR BENJAMIN CAMPBELL	729,333	0.95
12	JETOSEA PTY LTD	725,226	0.94
13	MR WILLIAM HENRY HERNSTADT	700,000	0.91
14	SCINTILLA STRATEGIC INVESTMENTS LIMITED	700,000	0.91
15	J P MORGAN NOMINEES AUSTRALIA LIMITED	645,649	0.84
16	AO-ZHONG INTERNATIONAL MINERAL RESOURCES PTY LTD	605,356	0.79
17	REVEDOR PTY LTD <BENNETT A/C>	600,000	0.78
18	MR MARK PROTHEROE + MRS REBECCA LEE PROTHEROE	596,603	0.78
19	RUBENSTEIN FAMILY INVESTMENTS PTY LTD <RUBENSTEIN FAMILY A/C>	587,000	0.76
20	MR HUGH ANTHONY FAINT	520,000	0.68
Totals: Top 20 holders		27,887,759	36.23
Total Remaining Holders Balance		49,089,872	63.77

Twenty largest Listed Option holders as at 17 September 2018

Rank	Name	Units	% of Units
1	BELLAIRE CAPITAL PTY LTD <BELLAIRE CAPITAL INVEST A/C>	3,500,000	18.92
2	JETOSEA PTY LTD	1,296,878	7.01
3	MRS PAULINE MARY DEEVES	1,200,000	6.49
4	MR HUGH ANTHONY FAINT	640,000	3.46
5	MR JOHN ANDREW RODGERS <JOHN RODGERS FAMILY A/C>	500,000	2.70
6	THE TRUST COMPANY (AUSTRALIA) LIMITED <MOF A/C>	500,000	2.70
7	MR COLIN WAYNE RULE	380,000	2.05
8	MR VLAD STANCULESCU	360,000	1.95
9	DMT INVESTMENTS PTY LTD <THACKRAY FAMILY S/F A/C>	335,000	1.81
10	TAOS PTY LTD <GEILINGS & CO PTY SUPER A/C>	262,500	1.42
11	MR JOHN DAVIDSON <THE DAVIDSON A/C>	250,000	1.35
11	HC INVESTMENT HOLDINGS PTY LIMITED <THE JC A/C>	250,000	1.35
13	BELLAIRE CAPITAL PTY LTD <BELLAIRE CAPITAL INVEST A/C>	242,344	1.31
14	MR MARK ANDREW LINNEY <THE M A LINNEY FAMILY A/C>	208,500	1.13
15	RUBENSTEIN FAMILY INVESTMENTS PTY LTD <RUBENSTEIN FAMILY A/C>	187,500	1.01
16	GRASMERE NOMINEES PTY LTD	162,500	0.88
16	MR PAUL REGAN + MRS MARITA REGAN <P & M REGAN SUPER FUND A/C>	162,500	0.88
18	MR BENJAMIN SLOAN BUTCHER	160,000	0.86
19	MR COLIN CECIL COULTON + MRS PATRICIA MARIE COULTON	159,641	0.86
20	J P MORGAN NOMINEES AUSTRALIA LIMITED	156,250	0.84
Totals: Top 20 holders		10,913,613	59.00
Total Remaining Holders Balance		7,583,887	41.00

Todd River Resources Limited ASX additional information

Distribution of listed equity securities as at 17 September 2018

Category	Number of listed security holders	
	Ordinary Shares	Listed Options
1 – 1,000	1,930	1
1,001 – 5,000	965	67
5,001 – 10,000	353	31
10,001 – 100,000	585	142
100,001 and over	133	34
	3,966	275

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

Substantial shareholders as at 17 September 2018

Substantial holders in the Company are set out below:

Shareholder	Number
TNG LIMITED	7,000,000

Class of shares and voting rights

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

On-market buy-back

There is no current on-market buy-back.

Unlisted Options as at 17 September 2018

Unlisted options exercisable @ \$0.30 expiring 22 March 2020

Total on issue	12,500,000
Number of holders (>100,000)	6
Holder with 20% or more:	1
Paul Burton	4,000,000

Restricted securities as at 17 September 2018

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

Ordinary Shares	8,023,146
Listed Options exercisable at \$0.25 on or before 22 March 2020	3,500,000
Unlisted Options exercisable at \$0.30 on or before 22 March 2020	12,500,000
Unlisted Options exercisable at \$0.175 on or before 01 May 2021	1,000,000

Listing Rule 4.10.19 confirmation

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

Todd River Resources Limited

ASX additional information

The Group holds an interest in the following tenements at 17 September 2018

Project	Tenements	Equity
McArthur River	EL27711, EL28509, EL30085 EL31703, EL31704	100%
Croker Island	ELA26049	100%
Mount Hardy	EL27892, EL29219, EL28694	100%
Manbarrum JV	A24518, A26581, EL24395, EL25646, MLA27357	100%
Sandover	ELA29252, ELA29253	100%
Tomkinson	EL30348, EL30359, EL31265	100%
Soldiers Creek	EL31209	100%
Stokes Yard	EL30131, EL31948	100%
Walabanba Hills	EL26848	100%
Warramunga/Rover JV	EL25581, ELA25582, ELA25587, MLC647	100% (Farm in agreement)
Peterman Ranges	ELA26383, ELA25564, ELA26384, ELA25562, ELA26382, ELA31924, ELA31925	100% (Farm in agreement)
Goddard's	ELA24260	100% (Farm in agreement)

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

Mineral Reserves and Resources

As at 30 June 2018 the company has reviewed its Mineral as follows:

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

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

There has been no change in the Sandy Creek Mineral Resource since 30 June 2017.

Todd River Resources Limited

ASX additional information

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

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

Competent Persons Statements

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

- "Walabanba Drilling Programme Commences" lodged on 11 July 2017
- "Mt Hardy Drilling Results Shows Significant Potential" lodged on 10 August 2017
- "Stokes Yard Prospect High Grade Cu/Zn/Pb Potential Amended" lodged on 30 August 2017
- "Exploration Footprint Expanded at McArthur River" lodged on 28 September 2017
- "Widespread Li Sn Pegmatites at Soldiers Creek Lodged" on 10 November 2017
- "High Grade Copper results at McArthur River Lodged" on 14 November 2017
- "Large Electromagnetic targets delineated McArthur Project" lodged on 20 November 2017
- "Significant Channel Sample Results at McArthur Project" Lodged on 6 December 2017
- "High Grade Lithium results Lodged" on 21 December 2017
- "Manbarrum Conceptual Mining Study Update" lodged on 10 April 2018
- "Drilling commences at Mount Hardy Copper-Zinc Project" lodged on 26 April 2018
- "New Tenure Expands Exploration Footprint at McArthur River" lodged on 09 May 2018
- "Consent Received to Grant Petermann Range Tenements" lodged on 30 May 2018
- "Massive Sulphides Intersected at Mount Hardy Cu-Zn Project" lodged on 07 June 2018
- "Rock Chip Results Confirm High Grades at Stokes Yard" lodged on 14 June 2018
- "Assay Results Confirm High Grade Discovery at Mount Hardy" lodged on 20 June 2018
- "Further Sulphides Intersected at Mount Hardy" lodged on 22 June 2018

which are available to view at www.trrltd.com.au and www.asx.com.au. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

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



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