

## **MARCH 2019 QUARTERLY ACTIVITIES REPORT**

### **HIGHLIGHTS**

#### **EXPLORATION**

- **Drilling re-commences at the Hendrix copper-zinc prospect at Mt Hardy**
- **First Pass metallurgical Testwork returns excellent results from Hendrix mineralisation**
- **Ground-based EM survey covering the Browns prospect area and strike extensions to the south commenced**
- **Drilling to commence imminently on Tennant Creek-style gold targets at Rover**

#### **CORPORATE**

- **Cash balance at the end of the Quarter of A\$3,588,000.**
- **The Company announced the establishment of a Small Shareholding Sale facility on 14 March**

The March Quarter saw Todd River Resources (ASX:TRT) recommence field work in the Northern Territory (NT) following the Christmas and Summer break with drilling at the Hendrix Prospect at Mt Hardy (Figure 1) the focus from early March. Additional target areas across the Mt Hardy Project continue to be assessed with ground-based electromagnetic (EM) surveys and drilling planned for new areas during the June 2019 quarter.

Excellent results have been received from the initial metallurgical testwork undertaken on a composite sample from the Hendrix Prospect with three separate high quality concentrates produced at an overall recovery exceeding 85%.

The Company announced the establishment of a Small Shareholding Sale Facility for certain shareholders with holdings valued at less than A\$500. The facility provides those shareholders with an opportunity to sell their shareholding in Todd River without incurring brokerage or handling costs.

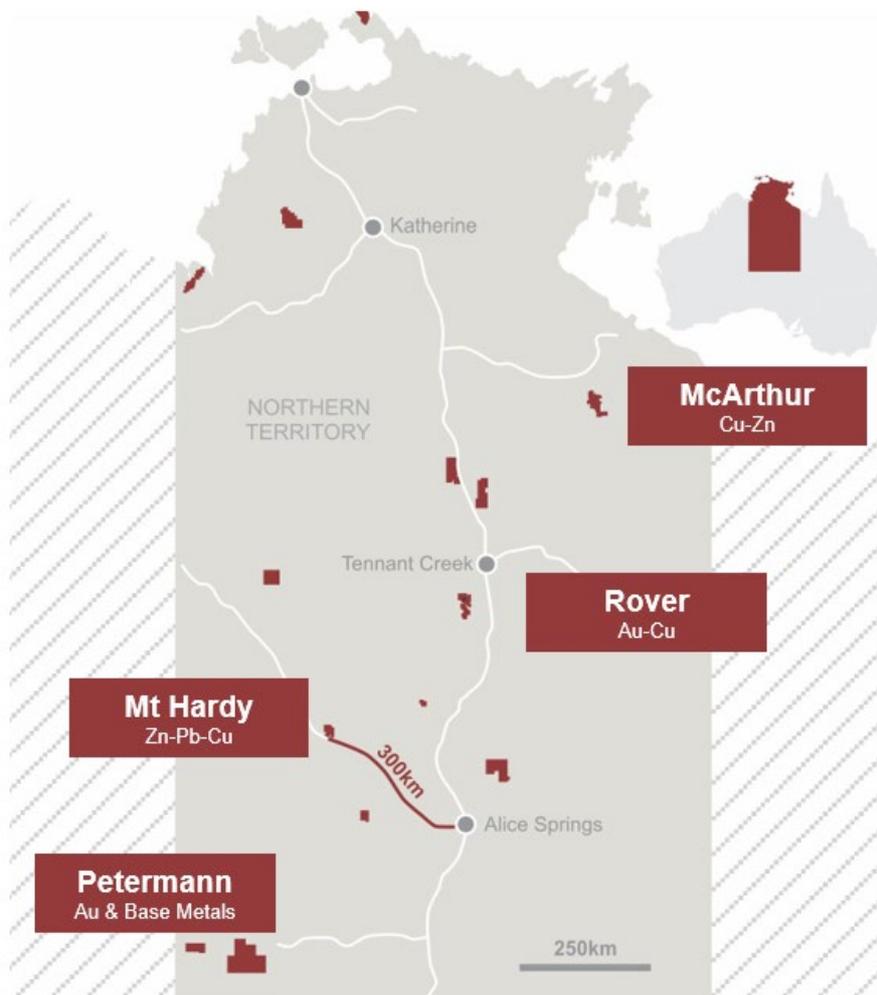


Figure 1. Todd River Resources project portfolio in the Northern Territory.

## EXPLORATION

### Mount Hardy Copper-Zinc Project (100% TRT) – Figure 2

#### Drilling

Following the recommencement of drilling, an initial 3 holes have been completed at the Hendrix prospect (formerly EM1) during the quarter, (Table 1). Holes were RC pre-collared and completed with diamond tails. In total 1,686 metres were drilled.

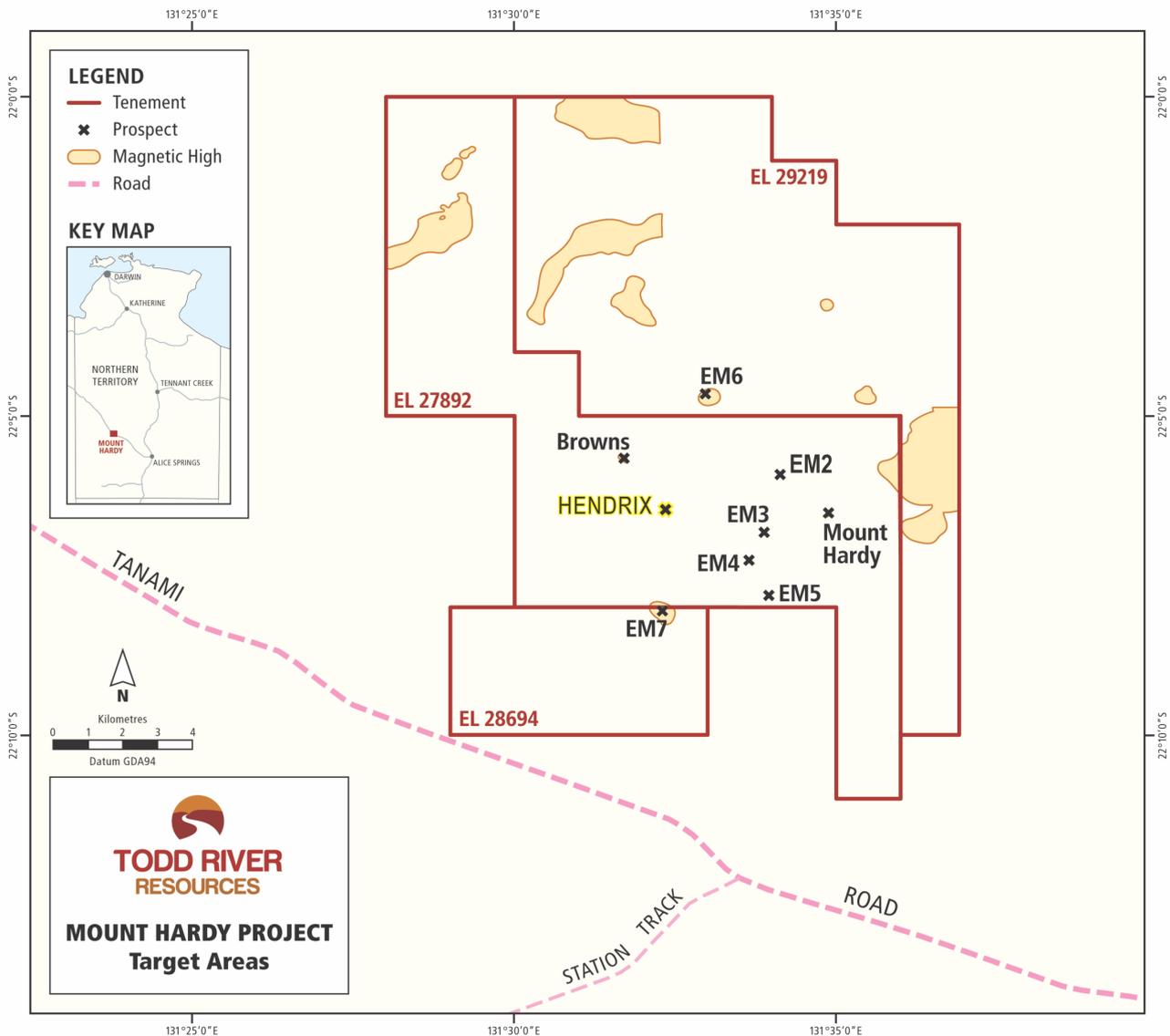
Table 1. Holes drilled during the March Quarter at Mount Hardy.

Hole ID	Easting	Northing	AHD-m	DIP	Azimuth	Total Depth
MHDD0053A	761892	7553008	643	-69	120.0	505
MHDD0055	761850	7553135	640	-60	121.0	621
MHDD0056	761881	7553023	643	-80	103.0	560

The initial three holes of the program focussed on an area south and below MHDD0043, which intersected a broad zone of mineralisation in 2018. Analytical results from the first completed hole, MHDD0053A (the southern-most hole drilled to date), returned **10.53m @ 6.44% Zn, 0.86% Pb and 0.17% Cu** from 494m down-hole, including **4.67m @ 11.13% Zn, 0.83% Pb and 0.83% Cu** from 499.86m down-hole. Importantly, this



intersection represents a 90m step out south along strike from MHDD0043 and over 100m down dip from hole MHDD0045.



**Figure 2. Mt Hardy Project showing the Hendrix Prospect and other target areas.**

Holes MHDD0055 and MHDD0056 have also been completed and assays are awaited for these intersections. Both holes intersected sulphide mineralisation, although in MHDD0055 only stringer zones over widths of 5-6 metres were identified above and below a thick zone of pegmatite which appears to “stope out” the mineralisation in this location.

In contrast, hole MHDD0056, drilled approximately 20 metres south of MHDD0055, intersected approximately 24 metres of varying intensity sulphide mineralisation, with the strongest zone of around 6 metres being visually similar to the high grade zinc mineralisation seen in holes MHDD0043 and MHDD0021A. Figure 2 shows the mid-point pierce point locations for all drilling including the initial 2019 holes completed at Hendrix.

The difference in sulphide mineralisation between two relatively closely-spaced holes highlights the variable nature of the mineralisation at Hendrix and the Company expects that, as further holes are completed, the distribution of pegmatites and variability of the sulphide mineralisation will be better understood.

The next holes in the program are designed to test the mineralisation at the same depth as hole MHDD0043, stepping out around 80 metres north and south along strike. These holes are shown on Figure 3.

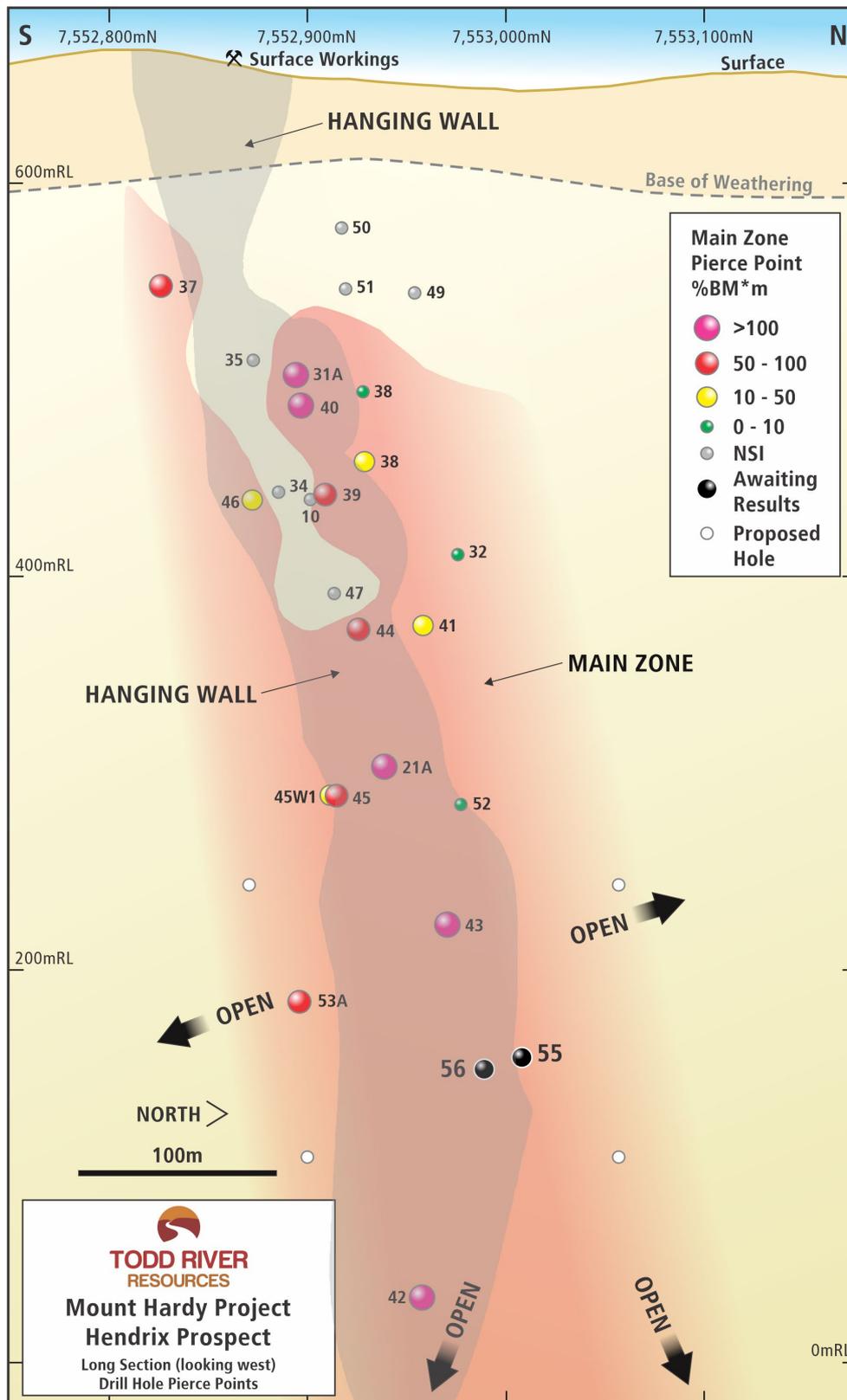


Figure 3 – Mt Hardy Project, Hendrix Prospect area long projection looking west showing current and planned drilling.



## Ground EM

In addition to the drilling, a geophysical crew has mobilised to Mt Hardy to extend the EM program originally started in November 2018. The ongoing program is designed to test a number of new areas, in particular the Browns Prospect where limited historical drilling intersected 13m @ 1.9% Cu and 1.17% Zn in 2013.

To date the EM survey has identified a number of additional subtle targets to the north-west of the Hendrix mineralisation.

It is anticipated that drill testing of a number of regional targets following modelling of the EM data and the specific design of drill holes will commence around the end of May.

## Metallurgical Testwork

A first pass metallurgical testwork program was designed to establish a preliminary flowsheet and assess the ability to recover base metals identified through drilling at the Hendrix Prospect into separate flotation concentrates. The testwork was undertaken by Strategic Metallurgy at their laboratory in Belmont with analytical work completed by NAGROM and ALS Laboratories.

A composite with a head grade of 0.92% Cu, 3.96% Pb, 17.8% Zn and 67.6 g/t Ag was subjected to six preliminary open circuit flotation tests. Sequential flotation was successful in producing high-grade concentrates of copper, lead and zinc. **Intermediate grades of up to 22.9% Cu, 74% Pb and 55.6% Zn were produced to their respective concentrates** albeit at lower recoveries to the final concentrate grades. **Final concentrate grades of 18.8% Cu, 64.0% Pb and 54.6% Zn were achieved.** Silver predominantly reported to the copper concentrate, grading as high as 800g/t silver. Rougher recoveries of up to 84.6% for copper, 85.6% for lead and 85.5% for zinc were achieved during this program with opportunity to further improve recoveries in subsequent testwork programs.

High quality concentrate grades were achieved for copper, lead and zinc. The copper concentrate grade requires further work to optimise concentrate specification. It is likely that re-grinding will be required to achieve this.

Higher intermediate concentrates were achieved, namely copper (22.9%), lead (74%) and zinc (55.6%) however at lower recoveries, indicating the potential to achieve grade improvements through further flowsheet optimisation.

Recovery to final concentrates is expected to improve with further flowsheet optimisation including:

- Optimization of zinc depression in copper and lead circuits;
- Pyrrhotite depression, a diluent reporting to the concentrates; and
- Slowing zinc flotation kinetics.

A high-level process flowsheet based on the testwork program has been developed (see Figure 4). Intermediate concentrate streams (including cleaner and re-cleaner tails) are likely to be reincorporated into the existing flowsheet; however, these have been left open until locked cycle testwork can be completed at a future date.

The recoveries reported exclude metal values in these intermediate streams. Subsequent closing of the flowsheet should improve flotation recoveries.

Although copper re-grinding has not been tested to date, a contingency for copper re-grinding has been included as testwork indicates this may be required.

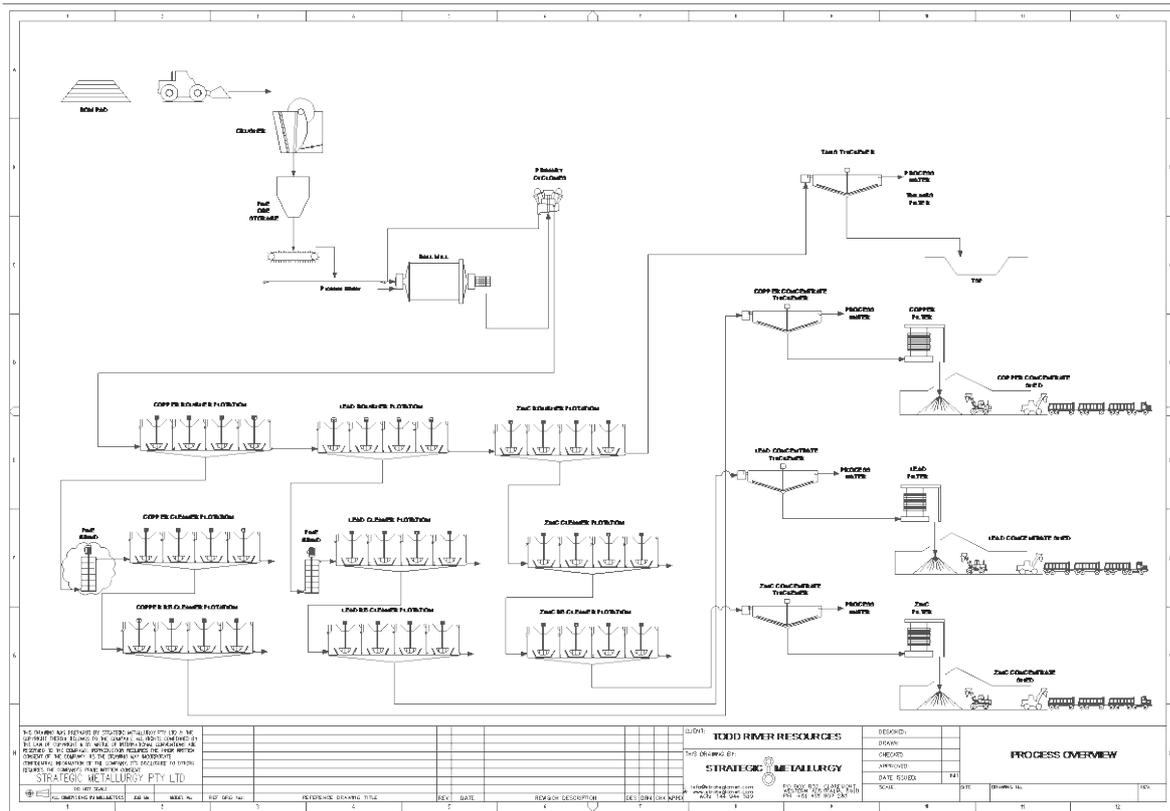


Figure 4: Process flowsheet

## Other Projects

Drilling at Rover that is part funded through the NT Government's Geophysics and Drilling Collaboration Program is expected to commence in early April targeting Tennant Creek-style gold targets along strike from the Rover 1 deposit owned by Westgold.

At Petermann Range negotiations with the Traditional Owners to finalise an Exploration Agreement continues to be progressed with the aim of completion by the end of the September Quarter. The agreement, which sets out the conditions for the Company to explore the tenements, is required prior to the commencement of on-ground exploration.

## CORPORATE

### Cash Position

Todd River Resources had total cash reserves of \$3,588,000 at Quarter-end.

### Small Shareholding Sale Facility

As announced on March 14, the Company announced the establishment of a small shareholding sale facility (**Facility**) for certain shareholders with holdings valued at less than A\$500. The Facility will provide those shareholders with an opportunity to sell their shareholding in Todd River without incurring brokerage or handling costs.

The Facility is only open to eligible shareholders (**Eligible Shareholders**) who are shareholders on the Todd River register:



- a) who hold less than A\$500 worth of shares at 5:00pm (Perth time) on 12 March 2019 (**Record Date**); **and**
- b) whose shares were acquired under the spin-out of Todd River from TNG Limited by way of the in-specie distribution of Todd River shares on 23 March 2017 (**TNG In-Specie Distribution**), and where those shares were worth less than A\$500 at the time of the TNG In-Specie Distribution. Based on the pre-quotations issue price for Todd River shares of A\$0.20, a holding of less than 2,500 shares was worth less than A\$500 at the time of the TNG In-Specie Distribution.

Eligible Shareholders who do not wish to participate will have the ability to opt-out of participating in the Facility so as to retain their shareholding.

**Will Dix**

Managing Director

26 April 2019

**Competent Person Statements**

The information in this announcement that relates to exploration results is extracted from ASX announcements titled:

- “Todd River Gears Up For Major Exploration Push at Mt Hardy”, lodged on 21 January 2019;
- “Excellent Results from First-Pass Metallurgical Testwork at Mt Hardy Copper-Zinc Project”, Lodged on 27 February 2019;
- “Small Shareholding Sale Facility”, Lodged on 14 March 2019;
- “Diamond Drilling Update – Mt Hardy Copper-Zinc Project, NT”, lodged on 9 April 2019.

which are available to view at [www.trrltd.com.au](http://www.trrltd.com.au) and [www.asx.com.au](http://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 announcement. 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 announcement.

**About Todd River Resources**

Todd River Resources (ASX: TRT) is an Australian-based resources company that has recently announced a zinc-copper discovery, EM1, at its 100% owned Mt Hardy Project, located 300km north west of Alice Springs.

With a strong management team, tight capital structure and fully funded for exploration in 2019, Todd River is well placed to pursue additional base metal mineralisation at Mt Hardy and progress exploration activities across its exploration portfolio.

While Todd River’s main focus is at Mt Hardy, the Company holds an extensive precious and base metal project portfolio which includes the Rover gold project, the McArthur Copper-Zinc project, the Peterman Range project and the large Manbarrum Zinc resource.



## Tenement Schedule

The Group holds an interest in the following tenements or tenement applications at 31 December 2017:

Project	Tenements	Equity
McArthur River	EL27711, ELA28509, EL30085, ELA31703, ELA31704	100%
Croker Island	ELA29164	100%
Mount Hardy	EL27892, EL29219, EL28694	100%
Manbarrum JV	MA24518, MA26581, EL24395, EL25646, MLA27357	100%
Sandover	ELA29252, ELA29253	100%
Tomkinson	EL30348, EL30359, EL31265	100%
Soldiers Creek	EL31209	100%
Stokes Yard	EL30131	100%
Walabanba Hills	EL26848,	100%
Warramunga/Rover JV	EL25581, ELA25582, ELA25587, MLC647	100%
Peterman Ranges	ELA26383, ELA25564, ELA26384, ELA25562, ELA26382	100%
Goddard's	ELA24260	100%

## Forward-Looking Statements

This announcement has been prepared by Todd River Resources Ltd. This announcement is in summary form and does not purport to be all inclusive or complete. Recipients should conduct their own investigations and perform their own analysis in order to satisfy themselves as to the accuracy and completeness of the information, statements and opinions contained.

This is for information purposes only. Neither this nor the information contained in it constitutes an offer, invitation, solicitation or recommendation in relation to the purchase or sale of Todd River Resources Ltd shares in any jurisdiction.

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This may include forward looking statements. Forward looking statements are only predictions and are subject to risks, uncertainties and assumptions which are outside the control of Todd River Resources Ltd. Actual values, results or events may be materially different to those expressed or implied.

For more information please see the company's website at [www.trrltd.com.au](http://www.trrltd.com.au)

## Appendix 5B

# Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

### Name of entity

Todd River Resources Limited

### ABN

45 600 308 398

### Quarter ended ("current quarter")

31 March 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(639)	(2,903)
(b) development	-	-
(c) production	-	-
(d) unallocated staff costs	(138)	(424)
(e) administration and corporate costs	(218)	(826)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	12	22
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other Debtor -TNG Ltd	-	35
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(983)</b>	<b>(4,096)</b>

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	(102)	(125)
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other – Security deposit	(13)	(105)
2.2 Proceeds from the disposal of:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
<b>2.6 Net cash from / (used in) investing activities</b>	<b>(115)</b>	<b>(230)</b>

<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of shares	-	7,194
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	(3)	(521)
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other	-	-
<b>3.10 Net cash from / (used in) financing activities</b>	<b>(3)</b>	<b>6,673</b>
<b>4. Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1 Cash and cash equivalents at beginning of period	4,689	1,241
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(983)	(4,096)

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(115)	(230)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(3)	6,673
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>3,588</b>	<b>3,588</b>

<b>5. Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1 Bank balances	588	689
5.2 Call deposits	3,000	4,000
5.3 Bank overdrafts		
5.4 Other (provide details)		
<b>5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>3,588</b>	<b>4,689</b>

**6. Payments to directors of the entity and their associates**

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

<b>Current quarter \$A'000</b>
140
-

Salaries and fees paid to directors in the quarter including superannuation.

7. <b>Payments to related entities of the entity and their associates</b>	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	-
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

8. <b>Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

9. <b>Estimated cash outflows for next quarter</b>	\$A'000
9.1 Exploration and evaluation	1,700
9.2 Development	-
9.3 Production	-
9.4 Staff costs	350
9.5 Administration and corporate costs	180
9.6 Other (provide details)	-
<b>9.7 Total estimated cash outflows</b>	<b>2,230</b>

10.	Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	N/A	N/A		
10.2	Interests in mining tenements and petroleum tenements acquired or increased	N/A	N/A		

### Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:



Date: 26 April 2019

Print name: Simon Robertson  
(Company secretary)

### Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.