



ABN: 45 600 308 398

**TODD RIVER**  
**RESOURCES**

# ANNUAL REPORT

2019



# Todd River Resources Corporate Directory

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## **DIRECTORS**

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

## **COMPANY SECRETARY**

Simon Robertson

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## **DOMESTIC STOCK EXCHANGE**

Australian Securities Exchange (ASX)  
Code: TRT

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## Todd River Resources Limited Chairman's Review

Dear Shareholder,

It is now a little over two years since the Company floated on the ASX and embarked on its exploration strategy in the Northern Territory. During that time we have prioritised several projects, driven by the awareness that supply of base metals, such as copper, zinc and nickel are key requirements for use in infrastructure projects around the world, providing exciting new opportunities for your Company.

In July this year, following around 12 months of drilling, interpretation and modelling your Company was able to release its Maiden Mineral Resource Estimate for the Hendrix deposit at our 100% owned Mt Hardy Cu-Zn Project north west of Alice Springs. This is an outstanding achievement in just 12 months since the discovery hole was drilled at the Project. At the time of writing, we are gearing up for our first regional drilling program targeting a number of new targets identified by your Managing Director, Will Dix, and his team, as we push to build the resource base at Mt Hardy.

Elsewhere we are progressing negotiations at the Petermann Range Project which is an exploration blank canvas for the Company and an area we are both fortunate to explore and excited to start on.

At the Rover Gold Project near Tennant Creek we continue to evaluate the geology and geophysics along strike from the Rover 1 deposit and are confident in identifying additional drill targets there.

Corporately we were able to attract a tier 1 cornerstone investor, S2 Resources Ltd, and also welcomed Dr Mark Bennett (Managing Director of S2) on to the Board of Directors. In addition, I was delighted that Will Dix agreed to transition from CEO to Managing Director. Both Mark and Will bring broad exploration and corporate experience which has significantly enhanced the Board's capabilities.

Founding Directors Paul Burton and Rex Turkington left the board during the year and I thank them for their efforts.

For the new shareholders in our company, welcome and to our existing shareholders, I thank you for your continuing support.

I would also like thank my Board, Company Secretary and our employees for their positive input and contribution into the successful operation of your Company and acknowledge the significant and tireless contribution made by our Managing Director, Will Dix.

The Todd River Resources team and Board remain focused on delivering shareholder growth through our targeted exploration activities, and I look forward to sharing news of our progress with you in the year ahead.

Yours sincerely,



Eddie Fry  
Non-Executive Chairman  
Todd River Resources Ltd

# Todd River Resources Limited

## Review of Operations

### 2019 HIGHLIGHTS – YEAR IN REVIEW

#### EXPLORATION

- Maiden Mineral Resource estimated at the Hendrix deposit at Mt Hardy;
- Exploration throughout the year at Mt Hardy continued to validate the Company's view that the Project has the potential to contain multiple base metal resources;
- Drilling completed at the Rover Gold-Copper Project; and
- Significant progress made towards the grant of exploration licences at the Petermann Range Project.

#### CORPORATE

- S2 Resources secured as a 19.99% cornerstone investor;
- Dr Mark Bennett and Mr Will Dix joined the Board of Directors; and
- Rex Turkington and Paul Burton resigned from the Board of Directors.



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

# Todd River Resources Limited

## Review of Operations

### SUMMARY

The exploration focus of Todd River Resources throughout the financial year ended 30 June 2019 (“financial year” or “period”) has been on the Company’s existing portfolio of base metal and gold assets in the Northern Territory (Figure 1). Exploration concentrated on Mt Hardy, McArthur, Stokes Yard and Rover. In addition, significant progress has been made on gaining on-ground access to the under explored Petermann Range Project in the south west of the Territory.

The highlights of the year came with the drilling of further high grade base metal sulphides and ultimately the Company’s Maiden Mineral Resource estimate at Hendrix within the Mt Hardy Project, 300Kms north west of Alice Springs.

### EXPLORATION

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

##### Maiden Mineral Resource Estimate

Drilling during the financial year culminated in the Company releasing its Maiden Mineral Resource of 2.6 million tonnes at 10.5% zinc-equivalent\* at the Hendrix deposit in July 2019. **The Resource, which comprises 6.7% zinc, 0.9% copper, 1.5% lead and 35 g/t silver, has approximately 175,000 tonnes of contained zinc, 22,500 tonnes of contained copper, 40,000 tonnes of contained lead and 2.9 million ounces of contained silver (at a 1.5% Zn cut-off) (see Table 1).**

**Table 1. Hendrix Inferred Resource statement**

Cut off Zn%	Tonnage	Metal Grade					Metal Tonnes			
		Zn Eq%	Zn%	Cu%	Pb%	Ag g/t	Zn(t)	Cu(t)	Pb (t)	Ag (oz)
0.5	2,700,000	10.3	6.5	0.9	1.5	34	176,000	23,200	40,000	3,000,000
1.0	2,600,000	10.4	6.6	0.9	1.5	34	175,000	22,700	40,000	2,900,000
<b>1.5</b>	<b>2,600,000</b>	<b>10.5</b>	<b>6.7</b>	<b>0.9</b>	<b>1.5</b>	<b>35</b>	<b>175,000</b>	<b>22,500</b>	<b>40,000</b>	<b>2,900,000</b>
2.0	2,500,000	10.7	6.8	0.9	1.6	35	173,000	22,000	40,000	2,900,000
2.5	2,500,000	10.8	7.0	0.9	1.6	35	172,000	21,500	39,000	2,800,000
3.0	2,400,000	11.0	7.1	0.9	1.6	36	170,000	21,100	38,000	2,800,000
3.5	2,300,000	11.2	7.2	0.9	1.6	36	167,000	20,600	37,000	2,700,000
4.0	2,200,000	11.5	7.5	0.9	1.6	37	162,000	19,900	35,000	2,600,000
4.5	2,000,000	12.0	7.8	1.0	1.7	39	153,000	18,800	34,000	2,400,000
5.0	1,700,000	12.7	8.2	1.0	1.8	41	142,000	17,300	32,000	2,300,000

\*Note: Zinc Equivalent (ZnEq%) is based on the following formula:

$$\text{ZnEq \%} = \text{Zn\%} + (\text{Cu\%} \times (5900/2550)) + (\text{Pb\%} \times (1900/2550)) + (\text{Ag ppm} \times ((15/31.103475)/(2550/100)))$$

Where: Zn = \$2,550 USD/ tonne

Cu = \$5,900 USD / tonne

Pb = \$1,900 USD / tonne

Ag = \$15 USD / ounce

Appropriate rounding has been applied.

The Mineral Resource estimate is categorised as Inferred under the JORC code and is reported in accordance with the guidelines of the JORC code (2012 edition) and further details can be found in the Company’s ASX release dated 10 July 2019. Figure 2 shows the geological wireframe from which the resource was estimated.

## Todd River Resources Limited Review of Operations

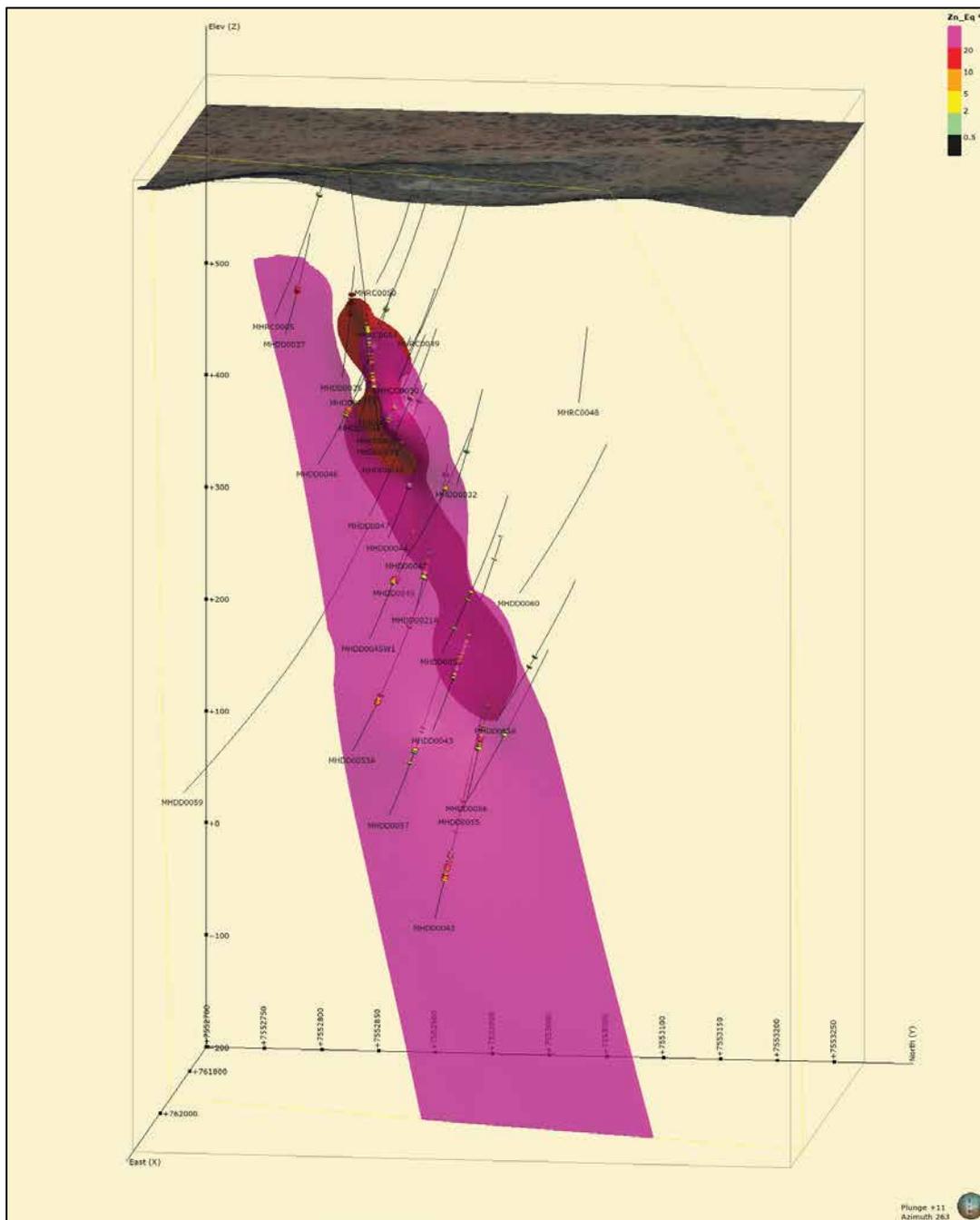


Figure 2. Hendrix Resource wireframes and drilling looking west.

### Exploration Drilling – Hendrix Prospect

Drilling during the period mainly focussed on the expanding the Hendrix mineralisation by following the core of the steeply plunging mineralised breccia both down plunge and along strike. Figure 3 shows the prospect locations, Figure 4 shows the location of the drill holes and Table 2 lists the collar information. The significant intersections from the financial year Hendrix drilling programs are listed below:

- Hole MHDD0021A: 13.45m 15.9% Zn, 5.75% Pb, 0.90% Cu and 89 g/t silver from 358.55m
- Hole MHDD0040: 55.75m @ 1.0% Cu, 1.5% Pb 3.3% Zn and 43.5 g/t silver from 131.5m, including:
  - 7.92m @ 1.4% Cu, 5.0% Pb, 13.8% Zn and 212.3 g/t silver from 179.38m
- Hole MHDD0043: 35.54m @ 14.7% Zn, 2.92% Pb and 0.91% Cu and 59 g/t Ag from 431.54m, including:
  - 11.29m @ 22.9% Zn, 3.35% Pb, 1.00% Cu and 58g/t Ag from 443.61m;

# Todd River Resources Limited

## Review of Operations

- Hole MHDD0042: 24.54m @ 0.68% Cu, 0.29% Pb and 4.86% Zn from 619m, including:
  - 12.68m @ 1.19% Cu, 0.47% Pb and 8.21% Zn from 629.62m;

Full details of the assay results are provided in the Company's ASX Announcements dated 2 August 2018, 20 August 2018 and 7 November 2018.

A total of 23 holes were drilled at Hendrix in the 2018-19 financial year. This comprised six Reverse Circulation (RC) holes, three diamond holes and 14 holes with diamond tails below RC pre-collars. In total 8,608.28m was drilled including 2,805.5m of RC and 5,802.78m of diamond core.

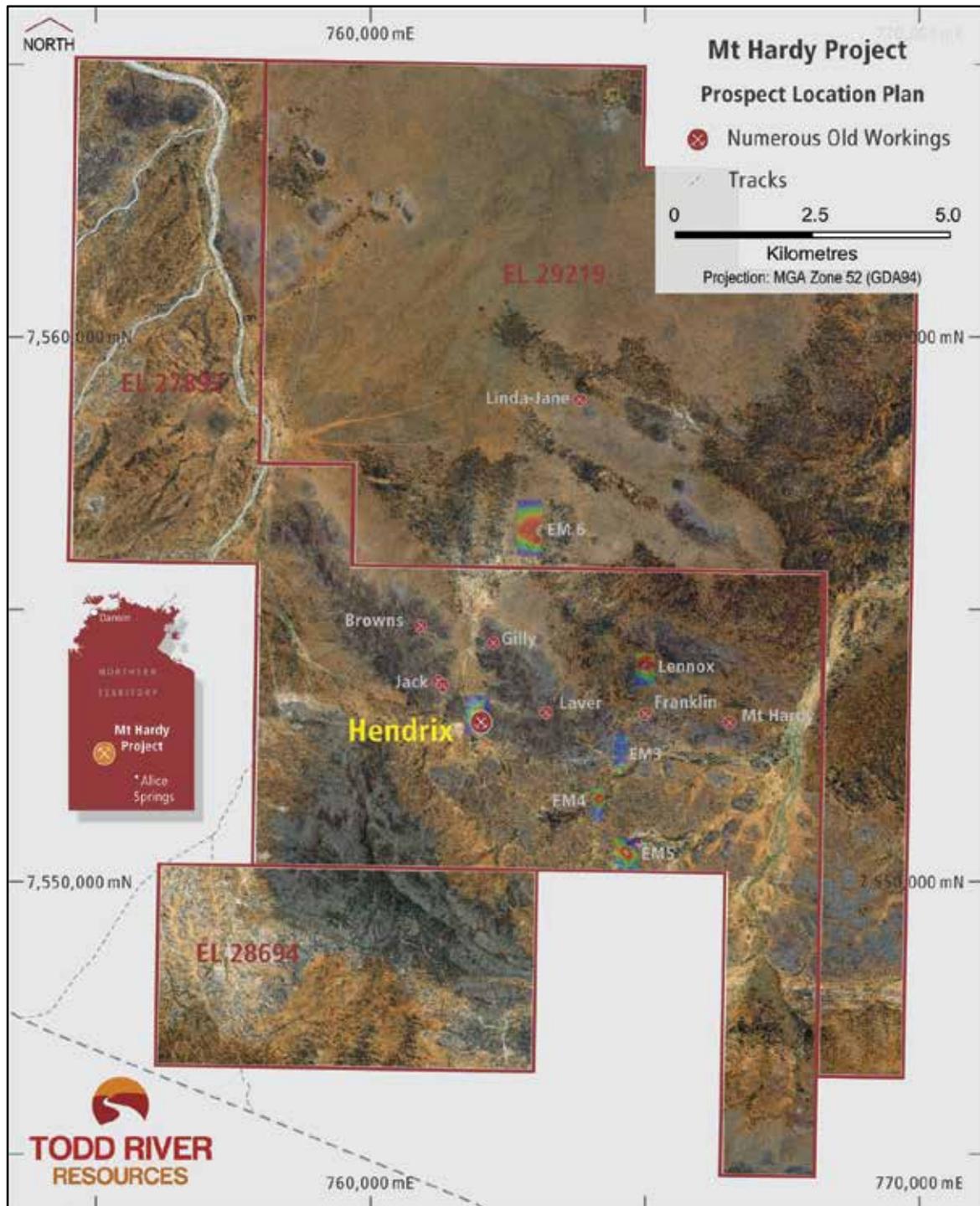


Figure 3. Location plan for the Mt Hardy Project showing the Hendrix resource location and other target areas.

# Todd River Resources Limited

## Review of Operations

### Exploration Drilling – Lennox Prospect

Three holes (including MHDD0061 which was abandoned at 27m) were completed at Lennox (Figure 4) to test the undrilled off-hole conductor plate identified in 2018 drilling.

Hole MHDD0062 intersected multiple narrow zones of stringer and breccia mineralisation with the pierce point of the EM plate at 378m down-hole, coincident with a narrow (85cm) zone of brecciated mineralisation with pyrrhotite similar in appearance to other holes drilled at Lennox. Up to 10% combined base metal sulphides were intersected over narrow zones of brecciated sulphide with the best results being from hole MHDD0062:

- 0.7m @ 9.2% Zn, 3.1 % Pb, 0.9% Cu and 89 g/t Ag from 274.4m and
- 1m @5.4% Zn, 4.6% Pb, 0.8% Cu and 36 g/t Ag from 371.6m

Hole MHDD0063 was drilled to target a deeper part of the EM plate and also intersected narrow zones of stringer and brecciated sulphides (up to 5.6m down-hole). The pierce point was again coincident with a zone of stringer mineralisation but returned no significant intersections.

### Exploration Drilling – Browns Prospect

Three holes were completed at the Browns Prospect targeting the down-dip projection of surface workings that are coincident with a number of chargeability shells generated from the 2013 IP survey.

Both MHDD0064 and MHDD0065 intersected multiple zones of stringer and brecciated sulphides over widths of up to 6m down-hole within the targeted chargeability shells. Chalcopyrite, sphalerite and galena were all observed in the drill-holes, although not in the same thick accumulations that are seen 3km south at the Hendrix Prospect. Assay results from these holes are pending and downhole geophysics has been completed on MHDD0064 and MHDD0065. Best results being:

- 3.9m @ 1.2% Cu and trace Zn from 183.8m in hole MHDD0064 and
- 4.95m @ 1.1% Cu and 0.6% Zn from 114.85m in MHDD0065

MHDD0066, drilled into the northern end of the IP anomaly, did not intersect any significant mineralisation.

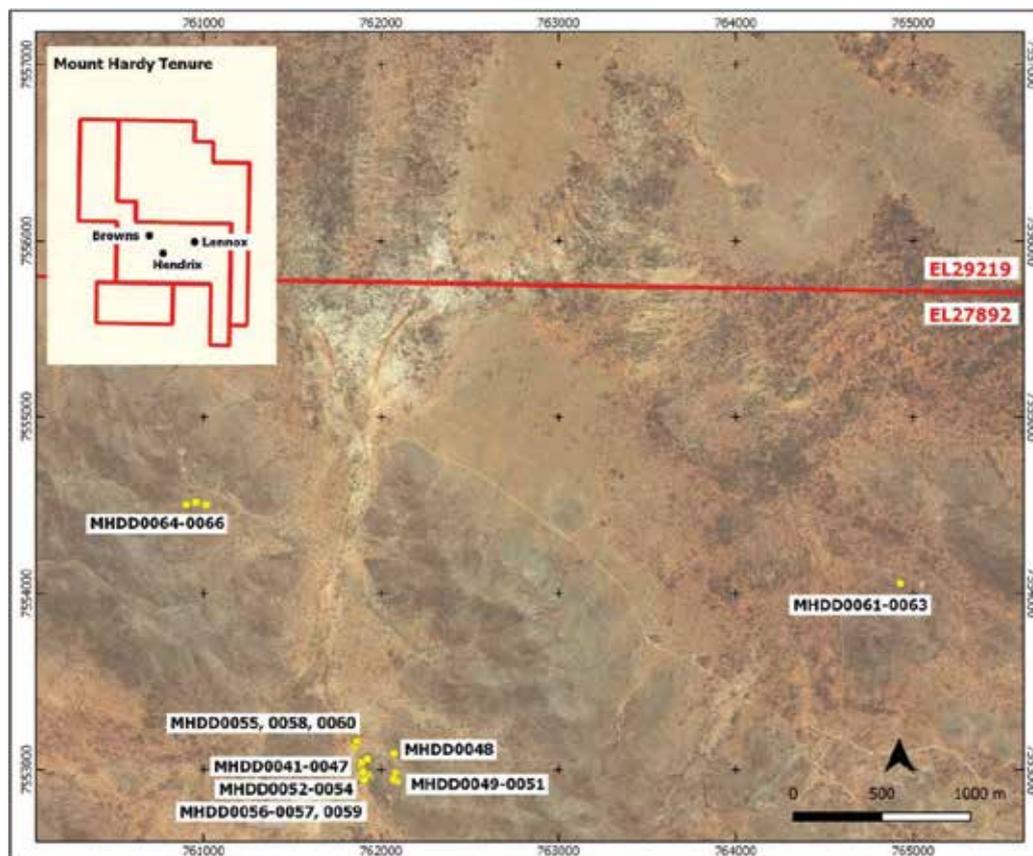


Figure 4. 2018 Mt Hardy Project drill collar plan.

## Todd River Resources Limited Review of Operations

Table 2. 2018-2019 Mt Hardy Project drill collar information.

Hole_ID	Prospect	Type	GDA_East	GDA_North	GDA_RL	Depth	Dip	Azimuth
MHDD0039	Hendrix	DDH	761922	7552972	658	289.52	-56	108
MHDD0040	Hendrix	DDH	762062	7552873	671	228	-81	27
MHDD0041	Hendrix	RCDDH	761892	7553037	657	398.25	-60	115
MHDD0042	Hendrix	RCDDH	761887	7553039	657	679	-77	112
MHDD0043	Hendrix	RCDDH	761920	7553065	658	519.51	-7	117
MHDD0044	Hendrix	RCDDH	761901	7552985	657	361.01	-63	113
MHDD0045	Hendrix	RCDDH	761895	7552990	657	394.11	-72	112
MHDD0045W1	Hendrix	DDH	761895	7552990	657	448.84	-72	112
MHDD0046	Hendrix	DDH	761903	7552941	657	314.5	-57	113
MHDD0047	Hendrix	RCDDH	761909	7552984	657	350	-58	113
MHDD0048	Hendrix	RC	762071	7553091	660	188	-87	195
MHDD0049	Hendrix	RC	762077	7552981	662	138	-62	115
MHDD0050	Hendrix	RC	762088	7552932	664	92	-62	114
MHDD0051	Hendrix	RC	762064	7552945	664	136	-62	114
MHDD0052	Hendrix	RCDDH	761919	7553063	658	454.76	-68	112
MHDD0053	Hendrix	RC	761889	7553008	657	92	-69	121
MHDD0053A	Hendrix	RCDDH	761887	7553009	657	550.28	-77	128
MHDD0054	Hendrix	RC	761893	7553005	657	62	-63	122
MHDD0055	Hendrix	RCDDH	761852	7553134	656	621.62	-70	111
MHDD0056	Hendrix	RCDDH	761879	7553021	657	576.56	-80	100
MHDD0057	Hendrix	RCDDH	761884	7553019	657	604.34	-79	118
MHDD0058	Hendrix	RCDDH	761858	7553162	657	553	-68	111
MHDD0059	Hendrix	RCDDH	761903	7552939	657	618.35	-77	111
MHDD0060	Hendrix	RCDDH	761863	7553160	657	480.85	-58	110
MHDD0061	Lennox	RC	764929	7554057	660	27	-72	107
MHDD0062	Lennox	RCDDH	764929	7554056	660	423.41	-66	107
MHDD0063	Lennox	DDH	764928	7554057	660	534.8	-72	98
MHDD0064	Browns	RCDDH	761013	7554503	661	287.76	-50	186
MHDD0065	Browns	RCDDH	760955	7554517	662	222.28	-55	186
MHDD0066	Browns	RCDDH	760902	7554505	663	201.28	-60	250

### Geophysics

Following the discovery of the Hendrix mineralisation at Mt Hardy, several campaigns of downhole EM in key holes within and on the extremities of the mineralisation were completed in order to target further drilling. Numerous conductive plates were identified and the drilling of a number of them successfully led to the identification of additional mineralisation. Figure 5 shows the location of drill traces and a number of the conductive plates at Hendrix. Further plates identified in the last of the DHTM surveys remain untested as the focus at Mt Hardy returned to locating shallow, potentially open pittable mineralisation in other locations.

## Todd River Resources Limited Review of Operations

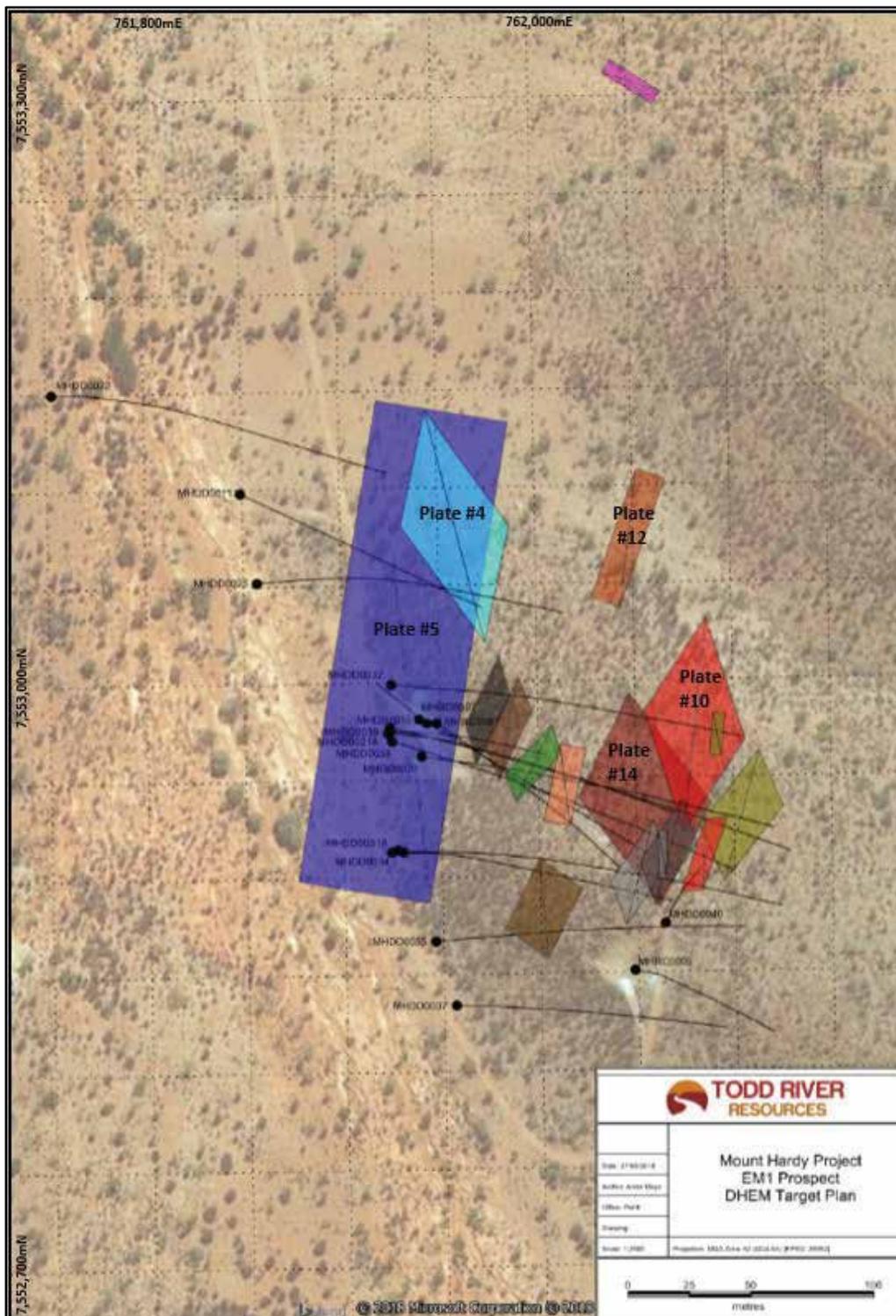


Figure 5. Conductive plates identified during downhole TEM surveying of holes at Hendrix.

A program of Moving Loop TEM (MLTEM) program commenced in October 2018 and ran through until early 2019. The survey covered the area immediately around Hendrix and also extensions to the north to Browns and to the south.

Initially, three orientation lines were completed to determine the best coupling with the mineralisation as noted at Hendrix (steeply-dipping towards the WNW) and subsequent to this work continued on lines oriented NNE/SSW with 100m x 100m loops at 100m spacings positioned along lines 200m apart. The results of the survey indicate several subtle anomalies that will be drilled in future drilling programs.

Figure 6 shows the outline of the completed MLTEM survey.

## Todd River Resources Limited Review of Operations

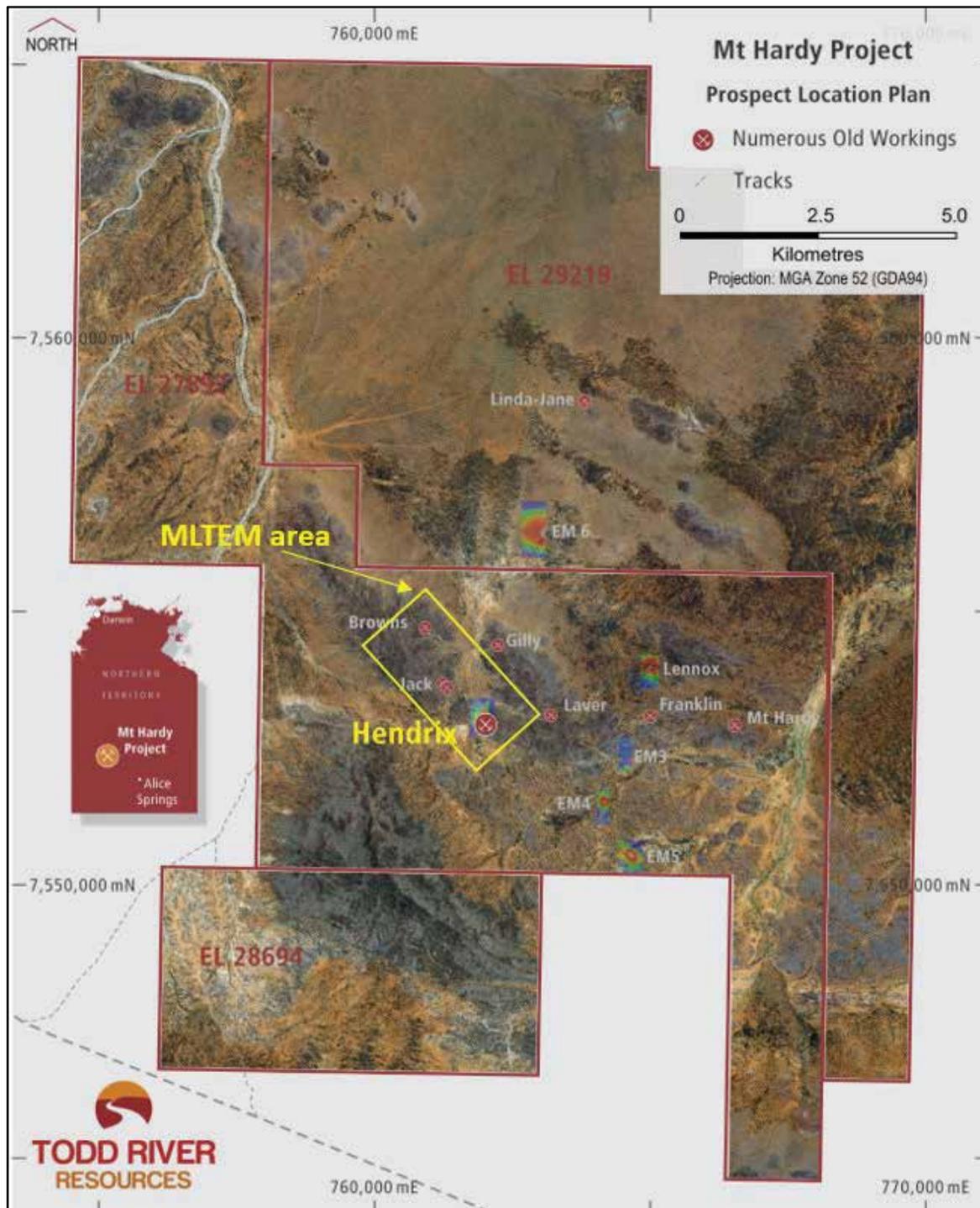


Figure 6. Location of MLTEM survey area around Hendrix and north to Browns.

### Metallurgy

The initial metallurgical testwork program on the ore from the Hendrix resource was carried out in late 2018.

No prior metallurgical testing has been conducted on samples from the Mt Hardy Project area, making it strategically important for the Company to obtain some initial baseline information on the metallurgical characteristics of the discovery at the earliest opportunity.

Separate high quality copper, lead and zinc concentrates were generated via conventional sequential flotation processes, which are used to treat poly-metallic base metal ores with mineralisation such as that seen at Mt Hardy.

This metallurgical testwork program was designed to establish a preliminary flowsheet and assess the ability to recover these metals into separate flotation concentrates.

## Todd River Resources Limited Review of Operations

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. Subject to sufficient mineralisation being identified to underpin a mining operation, all three concentrates are expected to be sought after products. The full details on the testwork carried out can be found in the Company's ASX announcement released on 27 February 2019.

### 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 50.45km<sup>2</sup> Exploration License – EL 30131 (Figure 7) 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.

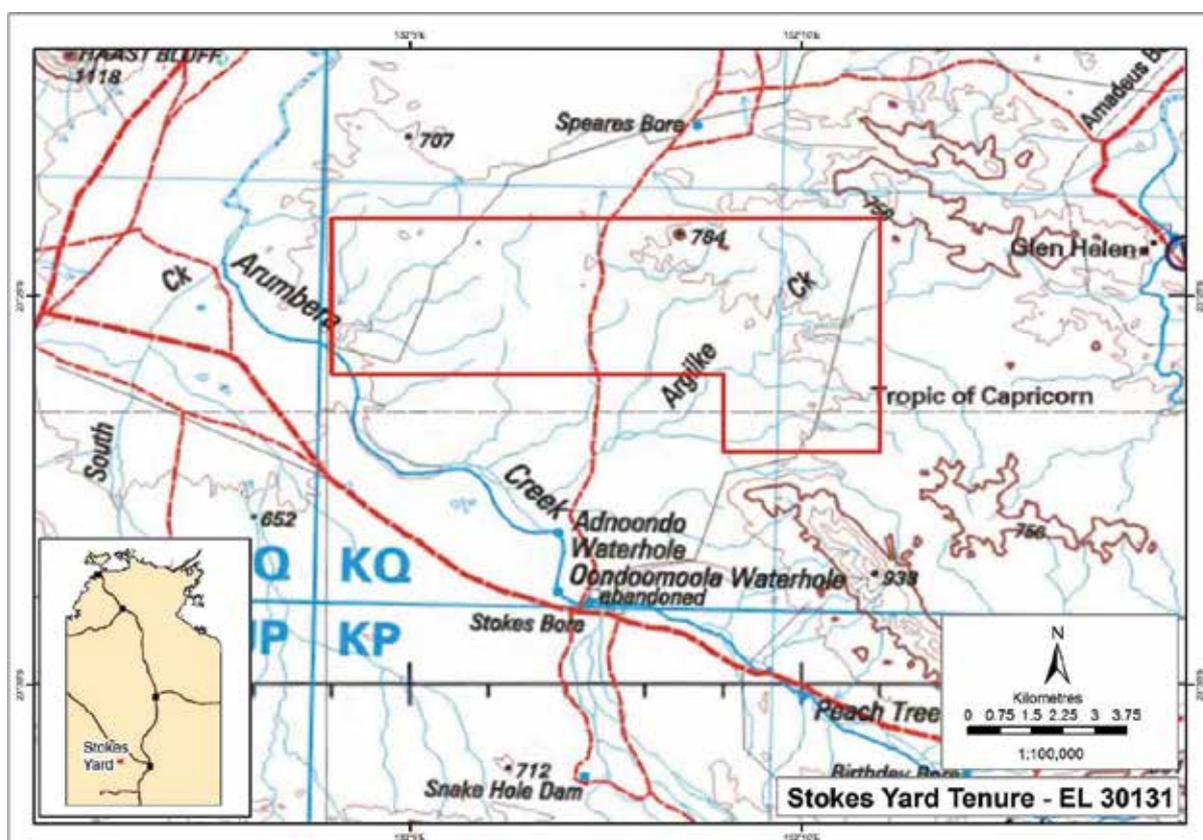


Figure 7. Stokes Yard Tenement EL 30131 location plan.

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.

Moving Loop EM was completed during the year over areas with anomalous surface geochemical results however the survey failed to identify any significant bedrock targets suitable for drilling. The geochemistry remains untested by drilling and the potential remains for a small RC program to be completed in the future.

# Todd River Resources Limited

## Review of Operations

### 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 8). Todd River tenure at McArthur covers 584.32km<sup>2</sup>.

A program of three diamond holes for a total of 1393.1 metres was completed during the year. Figure 9 shows the location of the 3 holes over the SkyTEM data and Table 3 lists the collar information. Holes were placed to test geophysical anomalies outlined from the 2017 SkyTEM airborne EM survey. Figure 10 below shows the conductor units that hole MCDD0005 was targeting, which were in both the Mallapunyah Formation and the underlying Wologorang Formation.

Minor sulphide intersections were noted in each hole – with the best metal intersection being 0.77m @ 4.69% Pb from 191.4m in MCDD0004. The mineralisation is contained within a breccia vein with galena and minor chalcopyrite and pyrite which corresponds to the upper conductor target zone. Holes MCDD0003 and MCDD0005 both failed to intersect any significant base metals.

Two holes were granted NTGS collaborative funding, and all core is at the NTGS Core Library in Darwin, where it has also been Hylogged.

A collaborative study with CSIRO was also completed during the year which suggests that there is very little thickening of the Wologorang Formation across the tenement area therefore downgrading the potential for base metal accumulations within the Project area.

**Table 3. Details of holes completed at the McArthur River Project during the year.**

Hole_ID	Easting (GDA94Z53)	Northing (GDA94Z53)	RL (m)	Dip	Azimuth (True)	Total Depth (m)
MCDD0003	591370	8106448	192	-81	275	513.4
MCDD0004	599252	8110618	180	-81	270	324.4
MCDD0005	599179	8113578	190	-81	104	555.3

# Todd River Resources Limited Review of Operations

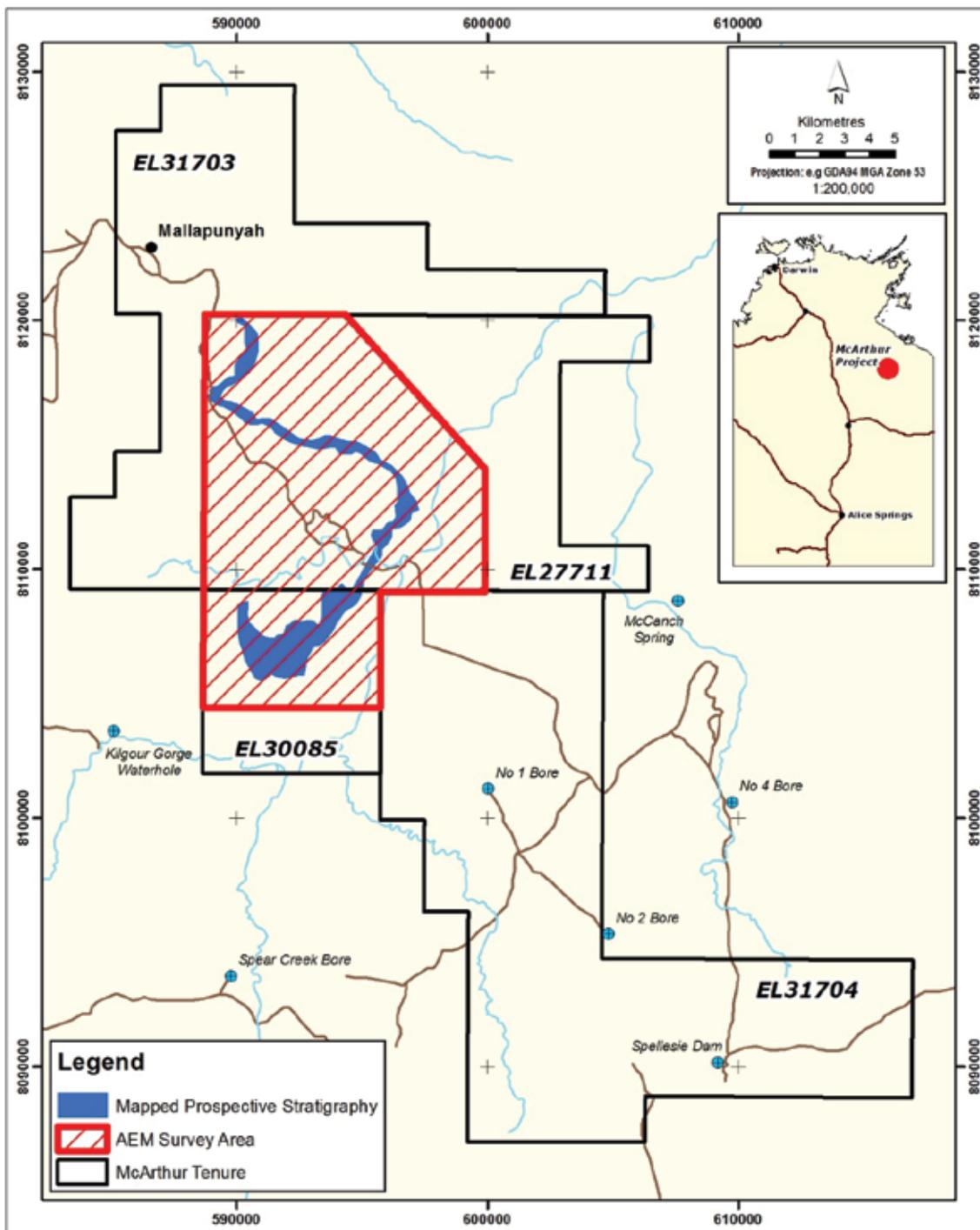


Figure 8. Location of the McArthur River tenure in relation to the mapped prospective stratigraphy and showing the location of the detailed SkyTEM survey completed in August 2017.

# Todd River Resources Limited Review of Operations

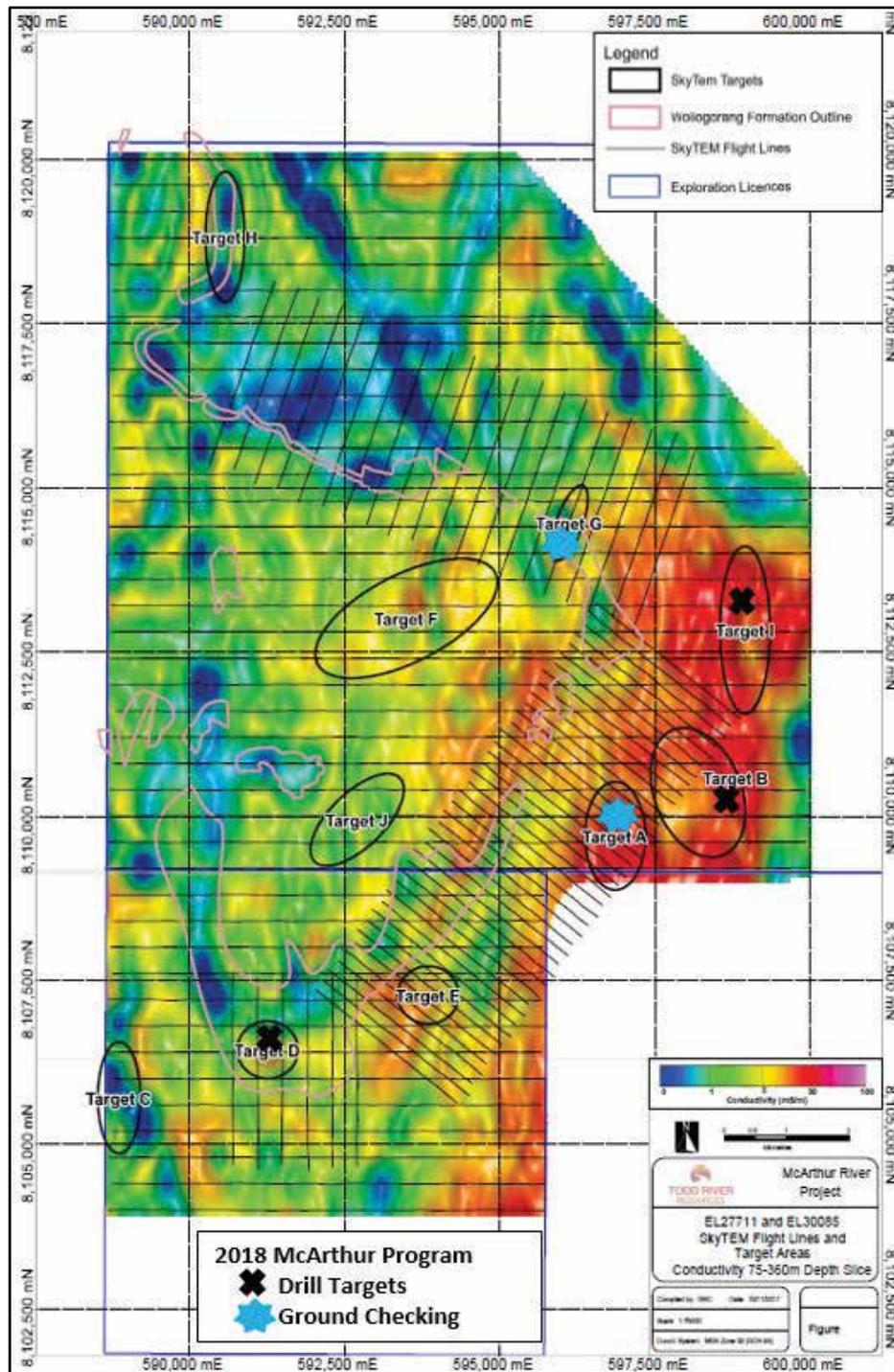


Figure 9. McArthur Project SkyTEM AEM survey area, showing the location of the three drill target areas.

## Todd River Resources Limited Review of Operations

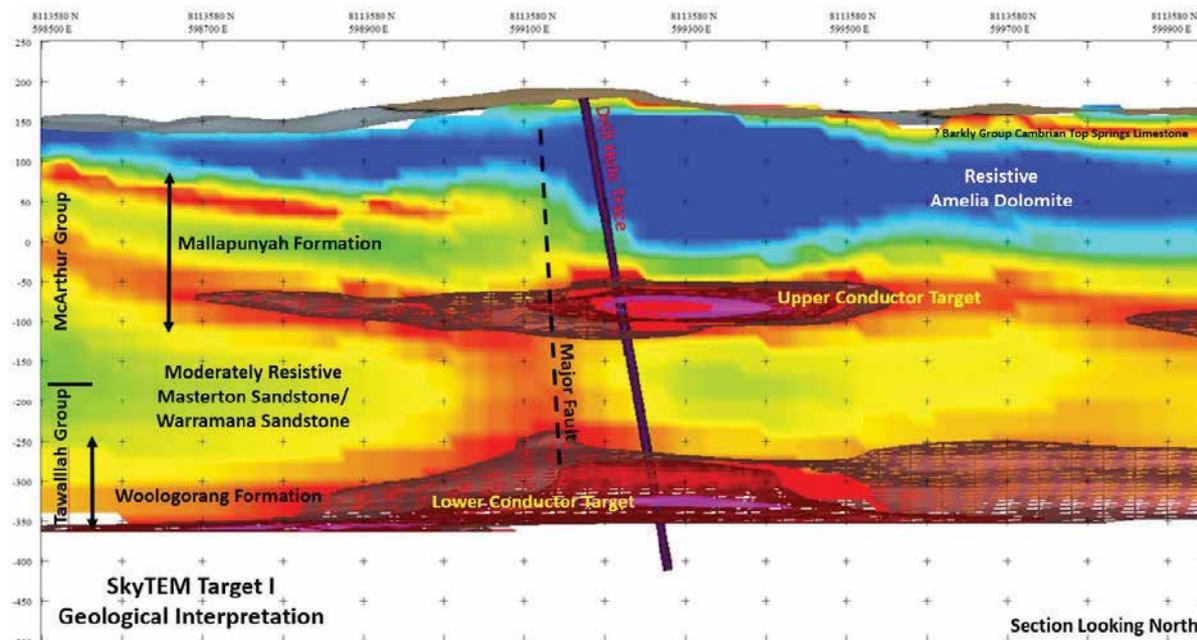


Figure 10. Conductor targets in the Mallapunyah and Wollgorang Formations for Hole MCDD0005.

### 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 strike from Westgold Resources' Rover 1 Project. It is a significant gold exploration project with numerous untested magnetic anomalies (Figure 11).

During the year the Company signed an agreement for collaborative funding via the Northern Territory Government's Geophysics and Drilling Collaborations Program which part-funded the drilling of two holes at the 100% owned Rover Gold Project in late May. No significant gold was intersected in the drilling, however encouraging signs of strong hematite/chlorite alteration could place the profile in a proximal zonation to a Tennant Creek-style IOCG deposit.

## Todd River Resources Limited Review of Operations

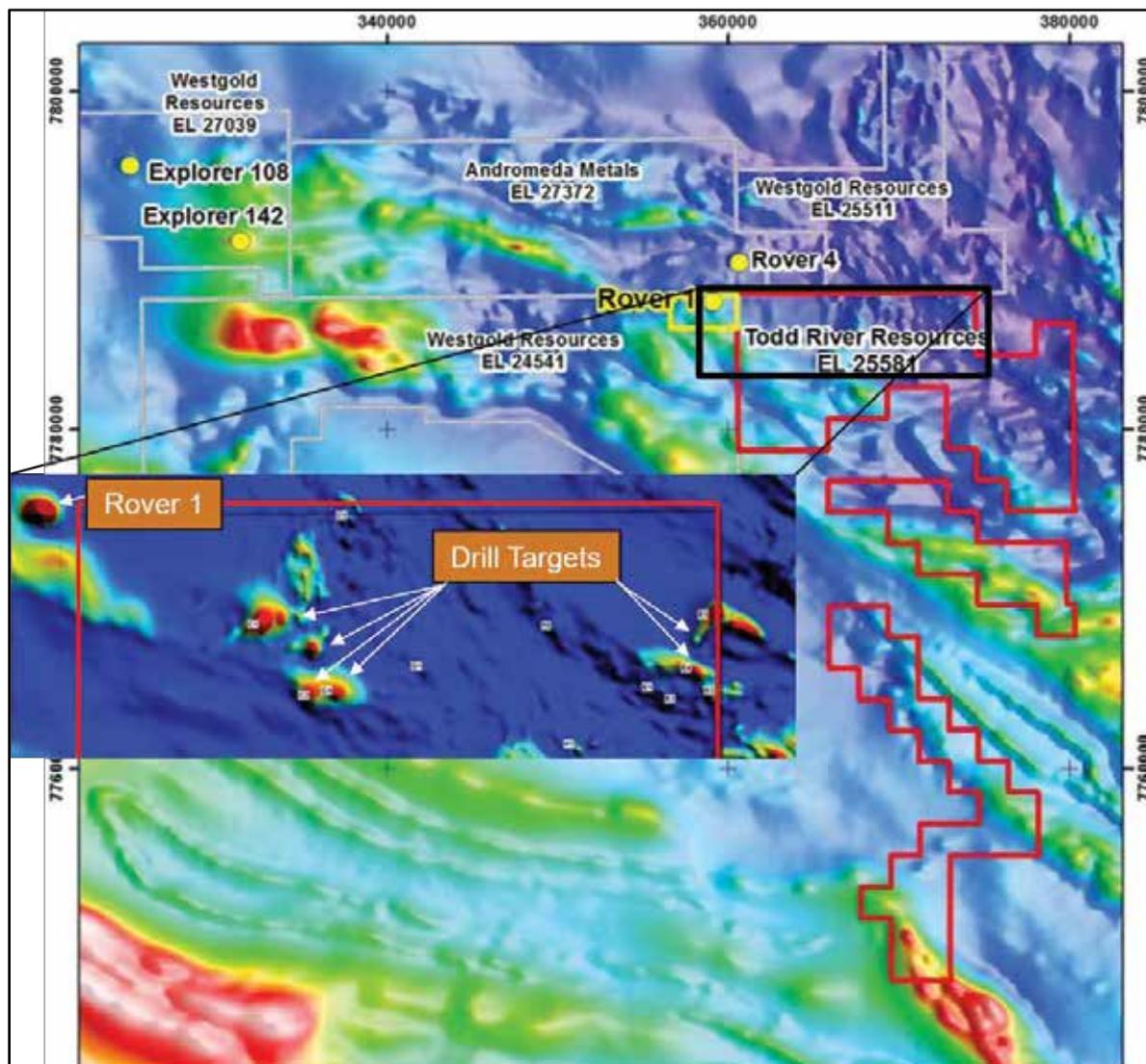


Figure 11. Rover Gold Project showing (A) the location of the Westgold Resources owned Rover 1 resource and drill targets along strike and (B) the geophysical modelling of drill targets and proposed holes shown in green.

### PETERMANN RANGE PROJECT (TRT:100%)

Following successful meetings with the Traditional Owners the Company has entered into negotiations on an Exploration Agreement, in conjunction with the Central Land Council, in order to proceed to grant with five key tenements at its Petermann Range Project (Figure 12).

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

## Todd River Resources Limited Review of Operations

Table 4. 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
<b>Total</b>	<b>936</b>	<b>2,890</b>

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.

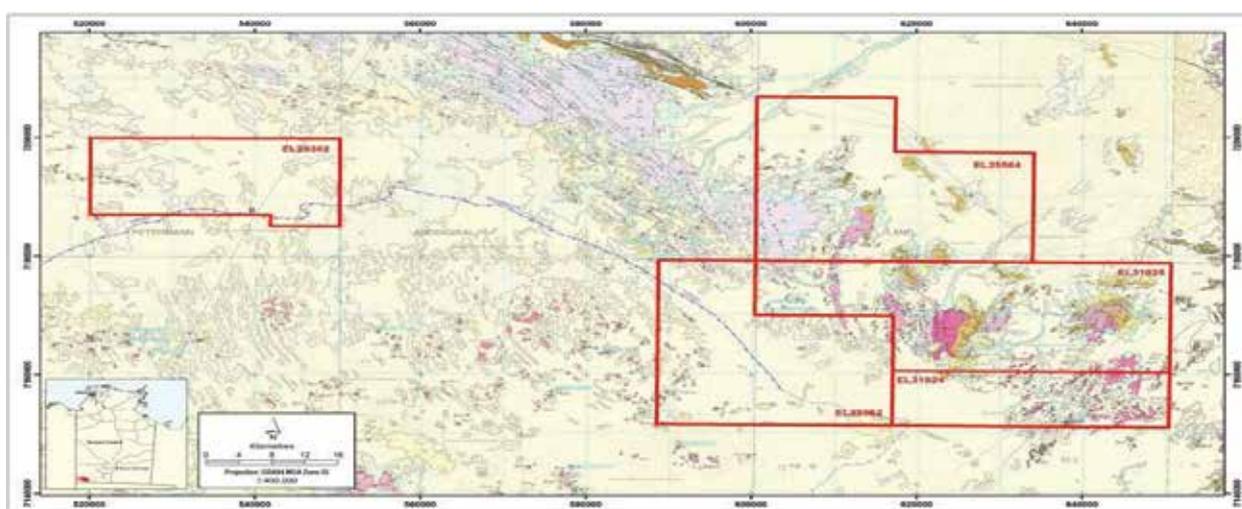


Figure 12. The five tenements that are approved for grant in the Petermann Range area of the Musgrave Province.

## Directors' Report

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

### Directors in office

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

Edward Fry

William Dix (appointed as Managing Director on 30 November 2018)

Mark Bennett (appointed as Non-Executive Director on 30 November 2018)

Geoffrey Crow

Paul Burton (resigned 24 January 2019)

Rex Turkington (resigned 15 February 2019)

### PRINCIPAL ACTIVITIES

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

### DIVIDENDS

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

### REVIEW AND RESULTS OF OPERATIONS

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

### SIGNIFICANT CHANGE IN STATE OF AFFAIRS

On 4 July 2018, TRT issued 11,975,031 shares at an issue price of \$0.09 per share raising \$1,077,753 before costs, \$140,673 was received in financial year ended 30 June 2018 and the remaining funds of \$937,080 was received in July 2018. The issue of shares was due to the completion of a capital raising as per the ASX announcement on 27 June 2018.

On 10 September 2018, TRT announced a placement with sophisticated investors and a 1-for-2 non-renounceable pro-rata Entitlement Offer to be launched to raise approximately \$3.2 million. On 18 September 2018 and 23 October 2018, TRT issued shares of 4,270,000 and 4,912,808 respectively at \$0.08 per share raising a total of \$732,053 before costs.

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

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

On 30 November 2018, TRT issued 57,057,808 shares at an average issue price of \$0.0852 per share totalling \$4,866,052 as per the non-renounceable Entitlement Offer which included 30,274,500 shares issued to S2R.

### EVENTS SUBSEQUENT TO REPORTING DATE

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

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

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

On 10 September 2019, TRT announced the completion of the placement and issued 32,259,000 shares at an issue price of \$0.031 per share raising \$1,000,000 (before costs). The closing date for the Entitlement Offer is 4 October 2019.

# Directors' Report

## EVENTS SUBSEQUENT TO REPORTING DATE (CONTINUED)

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

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

## LIKELY DEVELOPMENTS

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

## ENVIRONMENTAL REGULATIONS

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

## INFORMATION ON DIRECTORS

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

### **Edward Fry**

#### **Chairman**

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

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

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

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

#### *Other Current Directorships*

Mr Fry has no directorships of other public listed companies.

#### *Former Directorships in the Last Three Years*

Mr Fry has had no directorships of any other public listed company in the last three years.

#### *Number of interests in shares and options held in Todd River Resources Ltd*

Options 4,000,000

Shares 34,804

### **Geoffrey Crow**

#### **Non-Executive Director**

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

#### *Other Current Directorships*

Non-Executive Director of Ironridge Resources Ltd since 1 February 2013.

Non-Executive Director of Lake Resources NL since 14 November 2016.

## Directors' Report

### *Former Directorships in the Last Three Years*

Non-Executive Director of Bryah Resources Limited from 13 January 2017 to 15 November 2017.

Non-Executive Director of TNG Limited from 24 February 2011 to 30 May 2018.

### *Number of interests in shares and options held in Todd River Resources Ltd*

Options 4,686,945

Shares 246,212

### **Mark Bennett**

#### **Non-Executive Director**

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

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

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

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

### *Other Current Directorships*

Managing Director of S2 Resources Ltd since 15 October 2015.

### *Former Directorships in the Last Three Years*

Dr Bennett has had no directorships of any other public listed company in the last three years.

### *Number of interests in shares and options held in Todd River Resources Ltd*

Options Nil

Shares 1,644,000

### **William Dix, BSc, MSc, MAusIMM**

#### **Managing Director**

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

He has a proven track record of successful project and team management and also has extensive experience in commercial activities including capital raisings, mergers, acquisitions and divestments.

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

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

### *Other Current Directorships*

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

## Directors' Report

### *Former Directorships in the Last Three Years*

Managing Director of Consolidated Zinc Limited from 29 May 2015 to 8 January 2018.

### *Number of interests in shares and options held in Todd River Resources Ltd*

Options 4,000,000

Shares 293,803

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

#### **Technical Director**

Mr Burton is a highly experienced Exploration Geologist/Geochemist with over 25 years' experience in Exploration and Mining and was the Technical Director of Todd River Resources Ltd. He is also the Managing Director of TNG Ltd.

Mr Burton is experienced in running successful exploration programs for a variety of commodities. He has held consulting and senior management roles with major exploration companies.

Mr Burton is the Managing Director of TNG Ltd (an Australian resource company focused on the exploration, evaluation and development of a multi-commodity resource portfolio in the Northern Territory and Western Australia) and has been instrumental in establishing the Todd River Resources' NT Base Metal assets and had significant involvement in their initial exploration.

He holds an Honours degree in Geology, a Master degree in Mineral Exploration and Mining from McGill University in Canada, and is a graduate of the Australian Institute of Company Directors, a Fellow of the Association of Applied Exploration Geochemists, and member of both the Australian and Canadian Institutes of Mining and Metallurgy, a Graduate of the Australian Institute of Directors and a Member of the British Institute of Directors.

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

### *Other Current Directorships*

Managing Director of TNG Limited since August 2008.

### *Former Directorships in the Last Three Years*

Mr Burton has had no directorships of any other public listed company in the last three years.

### *Number of interests in shares and options held in Todd River Resources Ltd*

Options 6,000,000

Shares 463,730

### **Rex Turkington, BCom(Hons), BCA, GAICD, AAFSI, ADA1(ASX)**

#### **Non-Executive Director**

Mr Turkington is a highly experienced corporate advisor and economist who has worked extensively in financial services in Australia, specialising 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 was a Non-Executive Director of Todd River Resources Ltd. He was also a Non-Executive Director of TNG Ltd and Chairman of Key Petroleum.

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

### *Other Current Directorships*

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

### *Former Directorships in the Last Three Years*

Non-Executive Director of TNG Limited from 28 November 2011 to 31 March 2019.

### *Number of interests in shares and options held in Todd River Resources Ltd*

Options 4,050,000

Shares 410,578

## Directors' Report

*Simon Robertson, B.Bus, CA, M Appl. Fin.*

### **Company Secretary**

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

### **DIRECTORS MEETINGS**

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

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

### **INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS**

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

### **INSURANCE PREMIUMS**

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

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

### **OPTIONS**

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

#### *Unlisted options*

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

#### *Listed options*

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

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

# Directors' Report

## REMUNERATION REPORT - Audited

### 1. Principles of Remuneration

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

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

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

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

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

#### Fixed Remuneration

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

#### Performance linked compensation

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

#### Short-term incentive bonus

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

#### *Options*

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

#### Non-Executive Directors

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

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

## Directors' Report

### Service Contracts

#### *Edward Fry – Non-Executive Chairman*

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

#### *William Dix – Managing Director*

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

#### *Geoffrey Crow – Non-Executive Director*

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

#### *Mark Bennett – Non-Executive Director*

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

#### *Paul Burton – Technical Director*

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

#### *Rex Turkington – Non-Executive Director*

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

#### *Simon Robertson – Company Secretary*

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

#### *Su-Mei Sain – Chief Financial Officer*

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

## Directors' Report

### 2. Key Management Personnel remuneration

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

#### Key Management Personnel Remuneration for the year ended 30 June 2019

##### Consolidated

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

<sup>1</sup> Includes consulting fees.

<sup>2</sup> During the year ended 30 June 2019, \$4,500 was paid to Gimulki Resources Pty Ltd, a related entity of Mr Fry.

<sup>3</sup> Appointed as Managing Director on 30 November 2018. Please note \$13,500 of the total options issued to Mr Dix was in relation to a valuation adjustment to options issued in the prior period. This adjustment was to correct the share based payments expense for the financial year ended 30 June 2018 and is not material to require reinstatement of the prior period.

<sup>4</sup> Appointed as Non-Executive Director on 30 November 2018.

<sup>5</sup> Resigned as Technical Director on 24 January 2019.

<sup>6</sup> Resigned as Non-Executive Director on 15 February 2019.

<sup>7</sup> During the year ended 30 June 2019, \$70,578 was paid to SLR Consulting Pty Ltd as per the administrative services agreement with the Company.

<sup>8</sup> Mrs Sain was appointed Chief Financial Officer of the Company on 5 March 2019.

### 3. Shares and options granted as part of remuneration

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

### 4. Exercise of options granted as compensation

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

### 5. Analysis of options over equity instruments granted as compensation

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

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

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

## Directors' Report

### Analysis of movements in options

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

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

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

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

### 6. Modification of terms of equity-settled share-based payment transactions

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

### 8. Options over equity instruments

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

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

The total number of options held at 30 June 2019 of 25,236,945 are vested and exercisable as at 30 June 2019.

### Options granted to directors and officers of the company

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

### 9. Movements in shares

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

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

The audited remuneration report ends here.

## Directors' Report

### DIRECTORS' INTERESTS

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

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

### Options granted to directors and officers of the company

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

### NON-AUDIT SERVICES

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

### AUDITOR'S INDEPENDENCE DECLARATION

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

Signed in accordance with a resolution of the Directors.



**William Dix**  
Managing Director  
17 September 2019

# Todd River Resources Limited

## Financial Report

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

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

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

## Todd River Resources Limited Financial Report

### Consolidated Statement of Financial Position As at 30 June 2019

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

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 2019

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

*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 2019**

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

*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

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### 1 REPORTING ENTITY

Todd River Resources Limited (the 'Company') is a company domiciled in Australia. The address of the Company's registered office is Unit 4, 24 Parkland Road, Osborne Park, Western Australia 6017. The consolidated financial report of the Company as at and for the year ended 30 June 2019 comprises the Company and its subsidiary (together referred to as the 'Group'). The Group is a for profit entity and primarily is involved in the exploration of minerals within Australia.

### 2 BASIS OF PREPARATION

#### (a) Statement of compliance

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

#### (b) Basis of measurement

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

#### (c) Functional and presentation currency

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

#### (d) Use of estimates and judgements

Set out below is information about:

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

#### Critical Judgements

##### *Estimates and assumptions*

##### i. Exploration and evaluation assets

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

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

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

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

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

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

# Todd River Resources Limited

## Notes to the financial statements

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### 2 BASIS OF PREPARATION (CONTINUED)

#### (d) Use of estimates and judgements (continued)

##### ii. Share based payments

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

#### (e) Going Concern

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

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

### 3. SIGNIFICANT ACCOUNTING POLICIES

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

#### (a) Basis of consolidation

##### (i) Subsidiaries

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

##### (ii) Transactions eliminated on consolidation

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

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

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

#### (b) Income tax

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

##### *Current tax*

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

# Todd River Resources Limited

## Notes to the financial statements

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### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Income tax (continued)

##### *Deferred tax*

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting or taxable profit or loss.
- temporary differences related to investments in subsidiaries, associates or jointly controlled entities to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if certain criteria are met.

Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the statement of financial position date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

##### *Tax consolidation*

The Company and its wholly-owned Australian resident entity are part of a tax-consolidated group. As a consequence, all members of the tax-consolidated group are taxed as a single entity. The head entity within the tax-consolidated group is Todd River Resources Limited. Current tax liabilities and assets and deferred tax assets arising from unused tax losses and relevant tax credits of the members of the tax consolidated group are recognised by Todd River Resources Limited (as the head company of the tax-consolidated group).

Entities within the tax-consolidated group have not entered into a tax sharing or tax funding agreement with Todd River Resources Limited. The effect of not having entered into a tax sharing or tax funding agreement is that whilst Todd River Resources Limited (as the head company of the tax-consolidated group) will be liable for the income tax debts of the tax-consolidated group that are applicable to the period of consolidation, income tax debts may be recovered from subsidiary members in certain circumstances.

#### (c) Goods and services tax

- (i) Revenues, expenses and assets are recognised net of the amount of GST except where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable;
- (ii) Receivables and payables are stated with the amount of GST included;
- (iii) The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet;

# Todd River Resources Limited

## Notes to the financial statements

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### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (c) Goods and services tax (continued)

- (iv) Cash flows are included in the Cash Flow Statement on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, are classified as operating cash flows; and
- (v) Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

#### (d) Plant and equipment

##### (i) Recognition and measurement

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

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

##### (ii) Subsequent costs

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

##### (iii) Depreciation

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

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

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

#### (e) Exploration and Evaluation assets

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

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

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

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

# Todd River Resources Limited

## Notes to the financial statements

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### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (e) Exploration and Evaluation assets (continued)

Exploration and evaluation assets include:

- Acquisition of rights to explore;
- Topographical, geological, geochemical and geophysical studies;
- Exploratory drilling, trenching, and sampling; and
- Activities in relation to evaluating the technical feasibility and commercial viability of extracting the mineral resource.

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

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

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

#### *Impairment testing of exploration and evaluation assets*

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

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

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

Where a potential impairment is indicated, an assessment is performed for each CGU which is no larger than the area of interest.

#### (f) Provisions

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

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

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

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

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

# Todd River Resources Limited

## Notes to the financial statements

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### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (g) Share capital

##### *Ordinary shares*

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

#### (h) Employee benefits

##### (i) Share based payments

##### *Equity settled transactions*

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

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

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

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

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

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

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

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

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

##### (ii) Short term benefits

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

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

# Todd River Resources Limited

## Notes to the financial statements

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### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (i) Interest Income

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

#### (j) Segment reporting

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

#### (k) New Australian Accounting standards and interpretations issued but not yet adopted

A number of new standards, amendments to standards and interpretations are available for early adoption for annual periods beginning after 1 July 2018, and have not been applied in preparing these consolidated financial statements. The Group does not plan to adopt these standards early and the extent of the impact has been determined.

#### AASB 16 Leases

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

##### *Impact on operating leases*

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

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

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

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

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

#### (l) Changes in accounting policy

Todd River Resources Limited has adopted all of the new and revised Accounting Standards and Interpretations issued by the AASB that are relevant and effective for reporting periods beginning on or after 1 July 2018.

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

# Todd River Resources Limited

## Notes to the financial statements

### 4 FINANCIAL RISK MANAGEMENT

#### Overview

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

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

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

#### Credit risk

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

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

#### Cash and cash equivalents

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

#### Trade and other receivables

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

#### Exposure to credit risk

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

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

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

#### Liquidity risk

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

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

# Todd River Resources Limited

## Notes to the financial statements

### 4 FINANCIAL RISK MANAGEMENT (CONTINUED)

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

#### Consolidated 30 June 2019

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

#### 30 June 2018

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

#### Market risk

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

#### Interest rate risk

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

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

#### Profile

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

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

#### Fair value sensitivity analysis for fixed rate instruments

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

#### Cash flow sensitivity analysis for variable rate instruments

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

The Group operates primarily in the exploration and evaluation phase and accordingly the Group's financial assets and liabilities are subject to minimal commodity price risk.

# Todd River Resources Limited

## Notes to the financial statements

### 4 FINANCIAL RISK MANAGEMENT (CONTINUED)

#### Capital Management

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

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

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

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

### 5 INCOME AND EXPENSES

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

### 6 AUDITORS' REMUNERATION

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

# Todd River Resources Limited

## Notes to the financial statements

### 7 INCOME TAX

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

All unused tax losses were incurred by Australian entities.

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

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

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

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

#### Deferred income tax

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

### 8 EARNINGS PER SHARE

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

#### Loss attributable to ordinary shareholders

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

# Todd River Resources Limited

## Notes to the financial statements

### 8 EARNINGS PER SHARE (CONTINUED)

#### Weighted average number of ordinary shares

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

#### Effect of dilutive securities

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

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

### 9 SEGMENT INFORMATION

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

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

### 10 CASH AND CASH EQUIVALENTS

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

### 11 OTHER RECEIVABLES

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

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

### 12 EXPLORATION AND EVALUATION EXPENDITURE

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

# Todd River Resources Limited

## Notes to the financial statements

### 12 EXPLORATION AND EVALUATION EXPENDITURE (CONTINUED)

The ultimate recovery of the carrying amount of costs carried forward for exploration and evaluation phases is dependent on the successful development and commercial exploitation or sale of the respective areas. At balance date the carrying amount of exploration and evaluation expenditure was \$14,599,709 of which \$5,087,501 is attributable to the entity's Manbarrum project, \$6,009,548 (2018: \$2,091,018) attributable to the Mount Hardy project and the balance relating to other current exploration programs.

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

### 13 TRADE AND OTHER PAYABLES

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

<sup>1</sup>Trade and other payables are normally settled on a 30-day basis.

<sup>2</sup>Administrative and geological costs on charged by TNG Ltd as per the Administrative Services Agreement (refer Note 20)

<sup>3</sup>Administrative and geological costs on charged by S2 Resources Ltd as per the Shared Services Agreement (refer Note 20)

### 14 CAPITAL

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

#### (a) Movements in shares on issue

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

<sup>1</sup> On 4 July 2018, TRT issued 11,975,031 shares at an issue price of \$0.09 per share raising \$1,077,753 before costs. This related to a completion of a capitalising raising as per the ASX announcement on 27 June 2018. However \$140,673 was received in financial year ended 30 June 2018 and the remaining funds of \$937,080 was received in July 2018.

<sup>2</sup> This included an issue of free attaching listed options exercisable at \$0.25 on or before 22 March 2020.

<sup>3</sup> The Company had received funds upon options exercise at \$0.25 per option but unintentionally, no shares were issued. Funds will be reimbursed to the option holder in the next financial year.

# Todd River Resources Limited

## Notes to the financial statements

### 14 CAPITAL (CONTINUED)

#### Terms and conditions of contributed equity

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

#### (b) Movements in Options

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

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

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

#### (c) Dividends

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

### 15 COMMITMENTS

#### Exploration expenditure commitments

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

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

# Todd River Resources Limited

## Notes to the financial statements

### 16 CONTINGENT LIABILITIES

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

	Consolidated	
	2019 \$	2018 \$
<b>Guarantees</b>		
A guarantee has been provided to support unconditional environmental performance bonds	81,167	35,535
<b>Total estimated contingent liabilities</b>	<b>81,167</b>	<b>35,535</b>

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

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

### 17 CONTROLLED ENTITIES

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

### 18 NOTES TO THE STATEMENTS OF CASH FLOWS

#### Reconciliation of cash flows from operating activities

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

### 19 SHARE BASED PAYMENTS

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

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

# Todd River Resources Limited

## Notes to the financial statements

### 19 SHARE BASED PAYMENTS (CONTINUED)

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

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

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

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

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

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

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

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

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

# Todd River Resources Limited

## Notes to the financial statements

### 20 RELATED PARTIES

#### (a) TNG Limited

The Company entered into an Administrative Services Agreement with TNG Limited on 19 December 2016 and was terminated on 11 February 2019. There were no outstanding fees payable to TNG Limited as at 30 June 2019. The fees and costs associated with the agreement included 40% of TNG Limited's administration expenditure per month in lieu of the services and facilities provided by TNG Limited. Geological staff costs and services are also on charged from TNG Limited to the Company as part of the agreement. This included geological staff costs of Mr Paul Burton who resigned as Technical Director of the Company on 24 January 2019. The total amount of \$407,759 (2018: \$803,111) was incurred for the year ended 30 June 2019 with TNG Limited and has been included in Corporate and Administrative expenses and capitalised Exploration and Evaluation expenditures.

#### (b) S2 Resources Ltd

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

#### (b) Compensation of key management personnel

Key management personnel compensation comprised the following:

Compensation by category	Consolidated	
	2019 \$	2018 \$
<i>Key Management Personnel</i>		
Short-term	636,912	473,316
Post-employment	28,859	11,424
Other benefits	12,577	8,547
Share-based payments	562,500	59,000
	<b>1,240,848</b>	<b>552,287</b>

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

#### (c) Other transactions with key management personnel

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

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

# Todd River Resources Limited

## Notes to the financial statements

### 21 PARENT ENTITY INFORMATION

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

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

### Tax consolidation

Todd River Resources Limited and its 100% owned Australian 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.

### 22 EVENTS SUBSEQUENT TO BALANCE DATE

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

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

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

On 10 September 2019, TRT announced the completion of the placement and issued 32,259,000 shares at an issue price of \$0.031 per share raising \$1,000,000 (before costs). The closing date for the Entitlement Offer is 4 October 2019.

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

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

## Todd River Resources Limited Directors Declaration

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- 1 In the opinion of the directors of Todd River Resources Limited (the "Company"):
  - (a) the financial statements and notes, and the Remuneration report in the Directors' report, set out on pages 29 to 50, are in accordance with the *Corporations Act 2001*, including:
    - (i) giving a true and fair view of the Group's financial position as at 30 June 2019 and of its performance, for the financial year ended on that date; and
    - (ii) complying with *Accounting Standards and Corporation Regulations 2001*, and
  - (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
- 2 The directors have been given the declarations required by Section 295A of the *Corporations Act 2001* from the Chief Executive Officer (or equivalent) for the financial year ended 30 June 2019.
- 3 the directors draw attention to note 2(a) of the consolidated financial statements which includes a statement of compliance with International Financial Reporting Standards.

Signed in accordance with the resolution of the directors:



**William Dix**  
Managing Director  
17 September 2019

## AUDITOR'S INDEPENDENCE DECLARATION

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

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

Perth, Western Australia  
17 September 2019



**L Di Giallonardo**  
Partner

**h**lb.com.au****

**HLB Mann Judd (WA Partnership) ABN 22 193 232 714**

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Liability limited by a scheme approved under Professional Standards Legislation.

HLB Mann Judd (WA Partnership) is a member of HLB International, the global advisory and accounting network.

## **INDEPENDENT AUDITOR'S REPORT**

To the members of Todd River Resources Limited

### **Report on the Audit of the Financial Report**

#### *Opinion*

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

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

- a) giving a true and fair view of the Group's financial position as at 30 June 2019 and of its financial performance for the year then ended; and
- b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

#### *Basis for opinion*

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

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

#### *Material uncertainty related to going concern*

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

#### *Key audit matters*

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

## **hlb.com.au**

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**Key Audit Matter**
**How our audit addressed the key audit matter**


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**Carrying amount of exploration and evaluation expenditure**

 Note 12 of the financial report
 

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The carrying amount of exploration and evaluation expenditure as at 30 June 2019 is \$14,599,709.

In accordance with AASB 6 *Exploration for and Evaluation of Mineral Resources*, the Group capitalises all exploration and evaluation expenditure, including acquisition costs and subsequently applies the cost model after recognition.

Our audit focussed on the Group's assessment of the carrying amount of the capitalised exploration and evaluation asset, as this is the most significant asset of the Group.

We planned our work to address the audit risk that the capitalised expenditure may no longer meet the recognition criteria of the standard. In addition, we considered it necessary to assess whether facts and circumstances existed to suggest that the carrying amount of the exploration and evaluation asset may exceed its recoverable amount.

Our procedures included but were not limited to the following:

- We obtained an understanding of the key processes associated with management's review of the carrying values of each area of interest;
- We considered the Directors' assessment of potential indicators of impairment;
- We obtained evidence that the Group has current rights to tenure of its areas of interest;
- We examined the exploration budget for the year ending 30 June 2020 and discussed with management the nature of planned ongoing activities;
- We enquired with management, reviewed ASX announcements and reviewed minutes of Directors' meetings to ensure that the Group had not resolved to discontinue exploration and evaluation at any of its areas of interest;
- We substantiated a sample of expenditure by agreeing to supporting documentation; and
- We examined the disclosures made in the financial report.

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

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

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

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

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

*Responsibilities of the directors for the financial report*

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation

of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

*Auditor's responsibilities for the audit of the financial report*

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

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

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

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

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

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

**Report on the Remuneration Report**

*Opinion on the Remuneration Report*

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

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

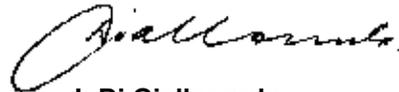
*Responsibilities*

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



**HLB Mann Judd**  
Chartered Accountants

**Perth, Western Australia**  
17 September 2019



**L Di Giallonardo**  
Partner

# Todd River Resources Limited

## Corporate Governance Statement

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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 3<sup>rd</sup> 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 4 October 2019.

### 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 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](http://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.**

During the year, the Company appointed then CEO, Mr Will Dix, as Managing Director and Dr Mark Bennett as a Non-Executive Director following the investment in the Company by S2 resources Limited. The Company completed bankruptcy and police clearance checks for Mr Dix and Dr Bennett following their appointment.

Information in relation to Directors seeking reappointment is set out in the Directors' report and is 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 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 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 has adopted a Diversity Policy which is available in the corporate governance section of the Company's website at [www.trrltd.com.au](http://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 2019, the Company does not have any female Board members but it does have a female senior manager 2019: 1 (2018:nil). Of the balance of the Company's employees 50% are female (2018: 100%). 33% (2018: 23%) 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 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 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 considered at each formal board meeting and an annual performance appraisal meeting with each senior executive.

# Todd River Resources Limited

## Corporate Governance Statement

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Where appropriate a performance review was undertaken during the reporting period with the Managing Director's performance being considered as part of the Board review process.

### 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.**

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 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 Managing 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.**

Non-Executive Chairman, Mr Edward Fry and Non-Executive Director Mr Geoffrey Crow are considered independent Directors.

As Managing Director Mr Will Dix is not considered to be independent director.

Dr Mark Bennett is a nominee of S2 Resources Limited, a substantial shareholder of the Company, and as such is not considered to be an independent Director.

The respective appointment date of each Director is:

Edward Fry	4 April 2017
Will Dix	30 November 2018
Mark Bennett	30 November 2018
Geoffrey Crow	24 June 2014
Paul Burton	14 June 2019 and resigned on 24 January 2019
Rex Turkington	14 June 2019 and resigned on 15 February 2019

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

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.

#### **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 Chairman, Eddie Fry is an independent Non-Executive Director.

Mr Will Dix was Chief Executive Officer until 30 November 2018 when he was appointed Managing Director.

# Todd River Resources Limited

## Corporate Governance Statement

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Where appropriate a performance review was undertaken during the reporting period with the Managing Director's performance being considered as part of the Board review process.

### PRINCIPLE 2: STRUCTURE THE BOARD TO ADD VALUE

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

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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 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 Managing 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.

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Non-Executive Chairman, Mr Edward Fry and Non-Executive Director Mr Geoffrey Crow are considered independent Directors.

As Managing Director Mr Will Dix is not considered to be independent director.

Dr Mark Bennett is a nominee of S2 Resources Limited, a substantial shareholder of the Company, and as such is not considered to be an independent Director.

The respective appointment date of each Director is:

Edward Fry	4 April 2017
Will Dix	30 November 2018
Mark Bennett	30 November 2018
Geoffrey Crow	24 June 2014

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

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.

#### **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 Chairman, Eddie Fry is an independent Non-Executive Director.

Mr Will Dix was Chief Executive Officer until 30 November 2018 when he was appointed Managing Director.

# Todd River Resources Limited

## Corporate Governance Statement

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### 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's website at [www.trrltd.com.au](http://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.

**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's Managing Director 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 Managing Director 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 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](http://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.**

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.

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.

Responsibility for control and risk management is delegated to the appropriate level of management within the Company with the Managing Director 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.

**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 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.**

## Todd River Resources Limited Corporate Governance Statement

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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 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's Corporate Code of Conduct outlines the Company's commitment to integrity and fair dealing in its business affairs and to a duty of care to all employees, clients and stakeholders. The code sets out the principles covering appropriate conduct in a variety of contexts and outlines the minimum standard of behavior expected from employees when dealing with stakeholders.

### 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.**

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 is 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.**

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.**

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.

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

## Todd River Resources Limited ASX Additional Information

### Twenty largest shareholders as at 25 September 2019

		Units	% of Units
1	SOUTHERN STAR EXPLORATION PTY LTD	30,274,500	16.48
2	SOUTHERN STAR EXPLORATION	11,959,700	6.51
3	TNG LIMITED	7,000,000	3.81
4	ZERO NOMINEES PTY LTD	7,000,000	3.81
5	DEUTSCHE BALATON AKTIENGESELLSCHAFT	6,756,835	3.68
6	JETOSEA PTY LIMITED	6,200,000	3.37
7	DELPHI UNTERNEHMENSBERATUNG AKTIENGESELLSCHAFT	6,070,000	3.30
8	MR WARREN WILLIAM BROWN + MRS MARILYN HELENA BROWN <WWB INVESTMENTS P/L S/F A/C>	2,784,312	1.52
9	YARRAANDOO PTY LTD <YARRAANDOO SUPER FUND A/C>	2,424,836	1.32
10	HC INVESTMENT HOLDINGS PTY LIMITED <THE JC A/C>	2,150,000	1.17
11	AOSU INVESTMENT AND	1,956,280	1.06
12	BELLAIRE CAPITAL PTY LTD <BELLAIRE CAPITAL INVEST A/C>	1,766,500	0.96
13	BONOS PTY LTD	1,650,000	0.90
14	JETOSEA PTY LTD	1,618,825	0.88
15	REPORT CARD PTY LTD	1,612,904	0.88
16	SCINTILLA STRATEGIC INVESTMENTS LIMITED	1,550,000	0.84
17	MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED	1,455,195	0.79
18	PCAS (AUSTRALIA) PTY LTD <PCAS INVESTMENT A/C>	1,312,500	0.71
19	JORLYN INVESTMENTS PTY LTD	1,297,622	0.71
20	ROSS SUTHERLAND PROPERTIES PTY LTD <SUTHERLAND FAMILY SF A/C>	1,210,000	0.66
<b>Totals: Top 20 holders</b>		<b>98,050,009</b>	<b>53.37</b>
<b>Total Remaining Holders Balance</b>		<b>85,657,238</b>	<b>46.63</b>

### Twenty largest Listed Option holders as at 25 September 2019

		Units	% of Units
1	BELLAIRE CAPITAL PTY LTD <BELLAIRE CAPITAL INVEST A/C>	4,042,344	16.51
2	JETOSEA PTY LTD	2,038,545	8.33
3	IQ GLOBAL ASSET PARTNERS PTY LTD <IQ S/F A/C>	895,043	3.66
4	AMARILO INVESTMENTS PTY LTD	829,084	3.39
5	MR GEOFFREY STUART CROW	686,945	2.81
6	MR HUGH ANTHONY FAINT	640,000	2.61
7	MR COLIN WAYNE RULE	580,000	2.37
8	MR NEVILLE BALLARD	500,000	2.04
9	MR JOHN ANDREW RODGERS <JOHN RODGERS FAMILY A/C>	500,000	2.04
10	THE TRUST COMPANY (AUSTRALIA) LIMITED <MOF A/C>	500,000	2.04
11	MR LARRY STEPHEN COOMBES	448,666	1.83
11	HC INVESTMENT HOLDINGS PTY LIMITED <THE JC A/C>	400,000	1.63
13	SCINTILLA STRATEGIC INVESTMENTS LIMITED	361,111	1.47
14	MR CHRISTOPHER HAROLD MAY + MS JULIE CATHERINE WIGGINS <MAY SUPER FUND A/C>	350,000	1.43
15	DMT INVESTMENTS PTY LTD <THACKRAY FAMILY S/F A/C>	335,000	1.37
16	MR JAMES WILLIAM HERMISTON	277,778	1.13
16	SARGON CT PTY LTD <VP CAPITAL FUND I>	277,778	1.13
18	A AND R ASSETS PTY LTD	263,889	1.08
19	TAOS PTY LTD <GEILINGS & CO PTY SUPER A/C>	262,500	1.07
20	RUBENSTEIN FAMILY INVESTMENTS PTY LTD <RUBENSTEIN FAMILY A/C>	258,500	1.06
<b>Totals: Top 20 holders</b>		<b>14,447,183</b>	<b>59.00</b>
<b>Total Remaining Holders Balance</b>		<b>10,037,833</b>	<b>41.00</b>

## Todd River Resources Limited

### ASX Additional Information

#### Distribution of listed equity securities as at 25 September 2019

Category	Number of listed security holders	
	Ordinary Shares	Listed Options
1 – 1,000	311	1
1,001 – 5,000	447	65
5,001 – 10,000	333	29
10,001 – 100,000	603	144
100,001 and over	203	47
	1,897	286

The number of shareholders holding less than a marketable parcel is 1,231.

#### Substantial shareholders as at 25 September 2019

Substantial holders in the Company are set out below:

Shareholder	Number
S2 Resources Ltd and its related bodies corporate Deutsche Balaton Aktiengesellschaft, Heidelberg, Germany VV Beteiligungen Aktiengesellschaft, Heidelberg, Germany DELPHI Unternehmensberatung Aktiengesellschaft, Heidelberg, Germany Wilhelm K.T. Zours, Heidelberg, Germany	42,234,200    12,826,835

#### 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 25 September 2019

Unlisted options issued under the Incentive Option Plan

	Exercisable @ \$0.30 expiring 22 March 2020	exercisable at \$0.175 expiring 1 May 2021	exercisable at \$0.131 expiring 4 November 2021	exercisable at \$0.134 expiring 7 November 2021
Total on issue	12,500,000	1,000,000	10,000,000	1,000,000
Number of holders (>100,000)	6	1	5	1

#### Restricted securities as at 25 September 2019

There are currently no restricted securities on issue.

## Todd River Resources Limited

### ASX Additional Information

The Group holds an interest in the following tenements at 25 September 2019

Project	Tenements	Equity
Mount Hardy	EL27892, EL28694, EL29219	100%
McArthur	EL27711, EL30085, EL31703, EL30704, ELA28509	100%
Manbarrum	EL24395, MA24518, MA26581, MLA27357	100%
Rover/Warramunga	EL25581, ELA25582, ELA25587, MLC647	100%
Tomkinson	EL30348, EL30359, EL31265	100%
Walabanba Hills	EL26848	100%
Soldiers Creek	EL31209	100%
Stokes Yard	EL30131	100%
Petermanns	ELA25562, ELA25564, ELA26382, ELA26383, ELA26384, ELA31924, ELA31925	100%
Sandover	ELA29252, ELA29253	100%
Croker Island	ELA29164	100%
Goddards	ELA24260	100%

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 2019 the company has reviewed its Mineral Reserves as follows:

#### Hendrix Mineral Resource

Cut off Zn%	Tonnage	Metal Grade					Metal Tonnes			
		Zn Eq%	Zn%	Cu%	Pb%	Ag g/t	Zn(t)	Cu(t)	Pb (t)	Ag (oz)
0.5	2,700,000	10.3	6.5	0.9	1.5	34	176,000	23,200	40,000	3,000,000
1.0	2,600,000	10.4	6.6	0.9	1.5	34	175,000	22,700	40,000	2,900,000
<b>1.5</b>	<b>2,600,000</b>	<b>10.5</b>	<b>6.7</b>	<b>0.9</b>	<b>1.5</b>	<b>35</b>	<b>175,000</b>	<b>22,500</b>	<b>40,000</b>	<b>2,900,000</b>
2.0	2,500,000	10.7	6.8	0.9	1.6	35	173,000	22,000	40,000	2,900,000
2.5	2,500,000	10.8	7.0	0.9	1.6	35	172,000	21,500	39,000	2,800,000
3.0	2,400,000	11.0	7.1	0.9	1.6	36	170,000	21,100	38,000	2,800,000
3.5	2,300,000	11.2	7.2	0.9	1.6	36	167,000	20,600	37,000	2,700,000
4.0	2,200,000	11.5	7.5	0.9	1.6	37	162,000	19,900	35,000	2,600,000
4.5	2,000,000	12.0	7.8	1.0	1.7	39	153,000	18,800	34,000	2,400,000
5.0	1,700,000	12.7	8.2	1.0	1.8	41	142,000	17,300	32,000	2,300,000

\*Note: Zinc Equivalent (ZnEq%) is based on the following formula:

$$\text{ZnEq \%} = \text{Zn\%} + (\text{Cu\%} \times (5900/2550)) + (\text{Pb\%} \times (1900/2550)) + (\text{Ag ppm} \times ((15/31.103475)/(2550/100)))$$

Where: Zn = \$2,550 USD/ tonne

Cu = \$5,900 USD / tonne

Pb = \$1,900 USD / tonne

Ag = \$15 USD / ounce

Appropriate rounding has been applied.

## 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 the 3D geological models that represent the interpreted geology, mineralisation and oxidation profiles, based on drilling and geological information supplied by Todd River Resources Limited.
- Completed 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.

#### 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
<b>Grand total</b>		<b>22.5</b>	<b>1.81</b>	<b>0.44</b>	<b>4.56</b>

There has been no change in the Sandy Creek Mineral Resource since 30 June 2018.

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.
- Completed 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 annual report that relates to exploration results is extracted from ASX Announcements titled:

“Large Electromagnetic targets delineated McArthur Project” lodged on 20 November 2017

“Assay Results Confirm High Grade Discovery at Mount Hardy” lodged on 20 June 2018

“High Grade Assays Confirm Base Metal Discovery at Mt Hardy” lodged on 2 August 2018

“Geophysics points to additional mineralisation at Mt Hardy” lodged on 3 September 2018

“EM1 Mineralisation Further Extended at Mt Hardy” lodged on 29 November 2018

“Excellent Results from Metallurgical Testwork at Mt Hardy” lodged on 27 February 2019

“Diamond Drilling Update – Mt Hardy 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.

The information in this annual report that relates to the estimation and reporting of the Hendrix Mineral Resource is extracted from the ASX announcement dated 10 July 2019 which is 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 announcement and that all material assumptions and technical parameters underpinning the Mineral Resource estimate 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 announcement.

The information in this annual report 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](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 Independent

## **Todd River Resources Limited**

### **ASX Additional Information**

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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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