



ABN 38 119 992 175

INTERIM FINANCIAL REPORT
31 DECEMBER 2017

RIVA RESOURCES LTD
ABN 38 119 992 175

Interim Financial Report 31 December 2017

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DIRECTORS' REPORT

The directors present their financial statements of Riva Resources Ltd ("Riva Resources") and its subsidiary ("consolidated entity") for the six months ended 31 December 2017 and the auditor's review report thereon:

Directors

The directors of the Company at any time during or since the end of the half-year and until the date of this report are:

Name	Period of directorship
Mr Jie Chen <i>Chairman</i>	Director from 18 December 2008 to 1 November 2017
Mr Keong Chan <i>Non-Executive Director</i>	Director since 1 December 2015
Mr Gang Xu <i>Non-Executive Director</i>	Director from 1 June 2006 to 5 February 2018
Mr Tim Kestell <i>Non-Executive Director</i>	Director since 7 September 2017
Mr David Berrie <i>Managing Director</i>	Director since 5 February 2018
Mr Mark Milazzo <i>Non-Executive Director</i>	Director since 7 March 2018

Review of Operations

Riva Resources Limited (the "Company") is a Perth based exploration company which listed on the Australian Securities Exchange in February 2009 (ASX: RIR). Riva's portfolio of tenements has numerous multi-commodity targets, including Fe, Mn, Au and U in Western Australia.

The Company has gone through a process of rationalization of its projects leading to a number of cost cutting strategies; including sale of tenements. R47/0008, E47/952 and P47/1429 were sold for a cash payment of \$150,000 and a 1% royalty on FOB revenue of any iron ore mined from the tenements.

In December 2017, the Company executed a binding agreement to acquire 100% of the issued capital of Providence Metals Pty Ltd, a proprietary exploration company and the legal and beneficial owner of the Hylea Project in central NSW. The project contains drilled Cobalt, Nickel, Platinum and Scandium mineralisation. The acquisition represents a strategic and significant scale 200 km² ground holding in Australia's premier Cobalt and Scandium province. In consideration of the acquisition, the Company agreed to pay the vendors \$8 million, comprising:

- a) \$4 million cash payment
- b) The issue of 1,000,000,000 fully paid ordinary shares in the capital of the Company to the vendor at deemed notional price of \$0.004
- c) 1.5% gross sales royalty on Group 1 Metals that are processed or reprocessed from the tenements comprising the Project.

For more details on the Company's activities over the half-year period ended 31 December 2017, refer to the Quarterly Reports and the ASX announcements made during the half-year period ended 31 December 2017.

Results

The consolidated entity made a loss of \$558,026 after income tax for the half-year (2016: loss of \$711,945).

Events Subsequent to Reporting Date

In December 2017, the Company entered into a binding agreement to acquire 100% of the issued capital of Providence Metals Pty Ltd, a proprietary exploration company and the legal and beneficial owner of the Hylea Project in central NSW, as detailed under "Review of Operations". In order to finance the acquisition, the Company undertook a fully underwritten capital raising in January 2018, comprising of a placement of 450,000,000 shares at an issue price of \$0.004 per share to raise \$1.8 million, and a pro-rata entitlement issue at a ratio of 3 for every 4 shares held at an issue price of \$0.004 per share to raise approximately \$2.2 million. The acquisition was completed in February 2018.

In February 2018, David Berrie was appointed as the Company's managing director to oversee the progress and development of the Hylea project. Mr Berrie brings a wealth of experience to the position having previously been the director of several ASX companies, including serving as the Managing Director of two listed ASX companies.

Gang Xu resigned as a director of the Company, effective 5 February 2018.

On 22 February 2018, the Company announced a General Meeting to be held on 20 March 2018 for resolutions to change the name of the Company to Hylea Metals Limited and to issue 150 million options to David Berrie or its nominee.

Mark Milazzo appointed as a director of the Company on 7 March 2018.

Apart from the above, there has not arisen in the interval between the end of the half-year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect significantly the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

Auditor's independence declaration under Section 307C of the Corporations Act 2001

Section 307C of the Corporations Act 2001 requires our auditor, RSM Australia Partners, to provide the directors of the Company with an Independence Declaration in relation to the review of the interim financial report. This Independence Declaration is set out on page 5 and forms part of this director's report for the six months ended 31 December 2017.

This report is signed in accordance with a resolution of the Board of Directors made pursuant to section 306(3) of the Corporations Act 2001.

A handwritten signature in blue ink, appearing to read "D Berrie", is positioned above the printed name and title of the signatory.

David Berrie
Managing Director

Dated at Perth, Western Australia, this 14th day of March 2018

RSM Australia Partners

Level 32, Exchange Tower
2 The Esplanade Perth WA 6000
GPO Box R1253 Perth WA 6844

T +618 92619100
F +618 92619111
www.rsm.com.au

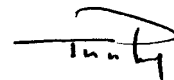
AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Riva Resources Limited for the half-year ended 31 December 2017, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

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



RSM AUSTRALIA PARTNERS



TUTU PHONG
Partner

Perth, WA
Dated: 14 March 2018



**STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME**

For the half-year ended 31 December 2017

	Consolidated 31 December 2017 \$	Half-Year Consolidated 31 December 2016 \$
Revenue from continuing operations	177,468	745
Exploration and evaluation general expenses	(94,704)	(43,748)
Corporate and administrative expenses	(340,790)	(668,942)
Exploration and evaluation expenditure impairment	(300,000)	-
(Loss) before income tax	(558,026)	(711,945)
Income tax	-	-
(Loss) for the half year	(558,026)	(711,945)
Other Comprehensive Income	-	-
Total Comprehensive (loss) for the half year attributable to owners of Riva Resources Limited	(558,026)	(711,945)
Loss per share:		
Basic and diluted (loss) per ordinary share (cents)	(0.08)	(0.17)

The statement of profit or loss and other comprehensive income is to be read in conjunction with the accompanying notes.



STATEMENT OF FINANCIAL POSITION
As at 31 December 2017

	Note	Consolidated 31 December 2017 \$	Consolidated 30 June 2017 \$
CURRENT ASSETS			
Cash and cash equivalents		1,782,409	2,226,174
Trade and other receivables		28,790	82,489
Total Current Assets		1,811,199	2,308,663
NON-CURRENT ASSETS			
Plant and equipment		11,921	26,214
Exploration and evaluation assets	3	797,571	785,745
Total Non-Current Assets		809,492	811,959
TOTAL ASSETS		2,620,691	3,120,622
CURRENT LIABILITIES			
Trade and other payables		77,217	19,122
Total Current Liabilities		77,217	19,122
TOTAL LIABILITIES		77,217	19,122
NET ASSETS		2,543,474	3,101,500
EQUITY			
Contributed equity	4	33,148,376	33,148,376
Reserves		274,677	274,677
Accumulated losses		(30,879,579)	(30,321,553)
TOTAL EQUITY		2,543,474	3,101,500

The statement of financial position is to be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY
For the half-year ended 31 December 2017

Consolidated	Contributed equity	Share based payment reserve	Options premium reserve	Accumulated losses	Total Equity
2017	\$	\$	\$	\$	\$
At 1 July 2017	33,148,376	46,040	228,637	(30,321,553)	3,101,500
(Loss) for the period	-	-	-	(558,026)	(558,026)
Total Comprehensive (loss) for the half-year	-	-	-	(558,026)	(558,026)
Transactions with equity holders in their capacity as equity holders	-	-	-	-	-
At 31 December 2017	33,148,376	46,040	228,637	(30,879,579)	2,543,474

Consolidated	Contributed Equity	Share based payment reserve	Options premium reserve	Accumulated Losses	Total Equity
2016	\$	\$	\$	\$	\$
At 1 July 2016	25,728,920	46,040	47,460	(25,247,847)	574,573
(Loss) for the period	-	-	-	(711,945)	(711,945)
Total Comprehensive (loss) for the half-year	-	-	-	(711,945)	(711,945)
Transactions with equity holders in their capacity as equity holders	5,270,315	-	181,176	-	5,451,491
At 31 December 2016	30,999,235	46,040	228,636	(25,959,792)	5,314,119

The statement of changes in equity is to be read in conjunction with the accompanying notes.



S T A T E M E N T O F C A S H F L O W S
For the half-year ended 31 December 2017

	Consolidated 31 December 2017 \$	Half-Year Consolidated 31 December 2016 \$
Cash flows from operating activities		
Payments to suppliers and employees	(297,365)	(692,258)
Interest received	15,426	2,947
Net cash (outflow) from operating activities	(281,939)	(689,311)
Cash flows from investing activities		
Payments for exploration expenditure – capitalised costs	(11,826)	(73,599)
Payments for exploration expenditure – acquisition costs	(300,000)	(100,000)
Proceeds from sale of tenements	150,000	-
Payments for plant and equipment	-	(1,544)
Net cash (outflow) in investing activities	(161,826)	(175,143)
Cash flows from financing activities		
Proceeds from issue of shares	-	2,032,132
Capital raising costs	-	(61,817)
Net cash inflow from financing activities	-	1,970,315
Net (decrease)/ increase in cash held	(443,765)	1,105,861
Cash and cash equivalents at the beginning of the period	2,226,174	262,985
Cash and cash equivalents at the end of the period	1,782,409	1,368,846

The statement of cash flows is to be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

This general purpose financial report for the half-year reporting period ended 31 December 2017 has been prepared in accordance with Australian Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Act 2001*. The Group is a for profit entity for financial reporting purposes under Australian Accounting Standards.

This interim financial report does not include full disclosures of the type normally included in an annual report. It is recommended that this financial report to be read in conjunction with the annual financial report for the year ended 30 June 2017 and any public announcements made by Riva Resources Limited during the half-year reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies have been consistently applied with those of the previous financial year and corresponding interim reporting period.

New and Revised Accounting Standards

The consolidated entity has adopted all of the new and revised Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period. The adoption of these new and revised Accounting Standards and Interpretations has not resulted in a significant or material change to the consolidated entity's accounting policies.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted by the consolidated entity.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

2. SEGMENT REPORTING

The consolidated entity has determined the operating segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions. The Board of Directors has considered the business from both a geographic and business segment perspective and the following are the reportable segments under AASB 8.

Consolidated 31 December 2017	Mineral Exploration \$	Corporate \$	Total \$
Segment revenue			
Other unallocated revenue	150,000	27,468	<u>177,468</u>
Total revenue	150,000	27,468	<u>177,468</u>
Segment result	(244,704)	(313,322)	(558,026)
Unallocated revenues and expenses	-	-	<u>-</u>
Loss before related income tax expense			<u>(558,026)</u>
Segment assets as at 31 December 2017	797,571	1,823,120	<u>2,620,691</u>
Segment liabilities as at 31 December 2017	-	77,217	<u>77,217</u>

Consolidated 31 December 2016	Mineral Exploration \$	Corporate \$	Total \$
Segment revenue			
Other unallocated revenue	-	745	<u>745</u>
Total revenue		745	<u>745</u>
Segment result	(43,748)	(668,197)	(711,945)
Unallocated revenues and expenses	-	-	<u>-</u>
Loss before related income tax expense			<u>(711,945)</u>
Segment assets as at 31 December 2016	3,910,641	1,437,069	<u>5,347,710</u>
Segment liabilities as at 31 December 2016	-	33,591	<u>33,591</u>

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

	Consolidated 31 December 2017 \$	Consolidated 30 June 2017 \$
3. EXPLORATION AND EVALUATION ASSETS		
Exploration, evaluation and development costs carried forward in respect of areas of interest	797,571	785,745
Reconciliation		
Carrying amount at beginning of period	785,745	437,042
Exploration and evaluation expenditure	11,826	3,548,703
Exploration and evaluation interest acquisition (see note 5)	300,000	-
Capitalised expenditure impairment	(300,000)	(3,200,000)
Carrying amount at end of period	797,571	785,745

The ultimate recoupment of exploration and evaluation expenditure is dependent upon successful development and commercial exploitation, or alternatively, sale of the respective areas.

	Consolidated 31 December 2017 \$	Consolidated 30 June 2017 \$
4. CONTRIBUTED EQUITY		
737,927,748 (30 June 2017: 737,927,748) fully paid ordinary shares	33,148,376	33,148,376
	Shares No.	Listed Options No.
At 1 July 2017	737,927,748	-
Issue of shares	-	-
Issue of options	-	-
At 31 December 2017	737,927,748	-
		Unlisted Options No.
At 1 July 2017		25,000,000
Issue of shares		-
Issue of options		-
At 31 December 2017		25,000,000

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

5. ACQUISITION OF HYLEA PROJECT

In December 2017, the Company executed a binding agreement to acquire 100% of the issued capital of Providence Metals Pty Ltd, a proprietary exploration company and the legal and beneficial owner of the Hylea Project in central NSW. In consideration of the acquisition, the Company agreed to pay the vendors \$8 million, comprising:

- a) \$4 million cash payment
- b) The issue of 1,000,000,000 fully paid ordinary shares in the capital of the Company to the vendor at deemed notional price of \$0.004
- c) 1.5% gross sales royalty on Group 1 Metals that are processed or reprocessed from the tenements comprising the Project.

The exploration interest acquisition of \$300,000 on the statement of financial position represents the non refundable option fee paid for the project acquisition. The acquisition was completed in February 2018.

6. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There has been no change in the contingent liabilities or contingent assets noted in the financial statements since the year ended 30 June 2017.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

7. EVENTS SUBSEQUENT TO REPORTING DATE

In December 2017, the Company entered into a binding agreement to acquire 100% of the issued capital of Providence Metals Pty Ltd, a proprietary exploration company and the legal and beneficial owner of the Hylea Project in central NSW, as detailed under "Review of Operations". In order to finance the acquisition, the Company undertook a fully underwritten capital raising in January 2018, comprising of a placement of 450,000,000 shares at an issue price of \$0.004 per share to raise \$1.8 million, and a pro-rata entitlement issue at a ratio of 3 for every 4 shares held at an issue price of \$0.004 per share to raise approximately \$2.2 million. The acquisition was completed in February 2018.

In February 2018, David Berrie was appointed as the Company's managing director to oversee the progress and development of the Hylea project. Mr Berrie brings a wealth of experience to the position having previously been the director of several ASX companies, including serving as the Managing Director of two listed ASX companies.

Gang Xu resigned as a director of the Company, effective 5 February 2018.

On 22 February 2018, the Company announced a General Meeting to be held on 20 March 2018 for resolutions to change the name of the Company to Hylea Metals Limited and to issue 150 million options to David Berrie or its nominee.

Mark Milazzo appointed as a director of the Company on 7 March 2018.

Other than the above, there has not arisen in the interval between the end of the half-year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect significantly the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

8. DIVIDENDS

There have been no dividends declared or recommended and no distributions made to shareholders or other persons during the period.

Directors' declaration

In the opinion of the directors:

1. the financial statements and notes, as set out within this financial report, are in accordance with the *Corporations Act 2001*, including:
 - (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2017 and its performance for the six months ended on that date; and
 - (b) complying with Accounting Standard AASB 134 "Interim Financial Reporting" and Corporations Regulations 2001;
2. there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with a resolution of the Board of Directors.

A handwritten signature in blue ink, appearing to read "D Berrie", is positioned above the printed name and title.

David Berrie
Managing Director

Dated at Perth, Western Australia this 14th day of March 2018.



RSM Australia Partners

Level 32, Exchange Tower
2 The Esplanade Perth WA 6000
GPO Box R1253 Perth WA 6844

T +618 92619100

F +618 92619111

www.rsm.com.au

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF RIVA RESOURCES LIMITED

We have reviewed the accompanying half-year financial report of Riva Resources Limited which comprises the statement of financial position as at 31 December 2017, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2017 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Riva Resources Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Riva Resources Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.


Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Riva Resources Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2017 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

RSM

RSM AUSTRALIA PARTNERS



TUTU PHONG
Partner

Perth, WA
Dated: 14 March 2018