

Exploration Development Incentive (EDI)

King River Copper Limited (“King River” or “the Company”) (ASX : KRC) is pleased to announce that its application to participate in the Australian Taxation Office EDI scheme has been accepted, and a tax credit of up to \$306,021 will be distributed to eligible shareholders.

EDI tax credits will be distributed to shareholders as tax credits for the 2017/18 tax year. To be eligible to receive a pro-rata distribution of EDI tax credits, shareholders must be on the Company’s register at the close of trading on Thursday 31 May 2018 (Record Date). The EDI credits will be applied by the ATO to income tax assessed for the year ended 30 June 2018.

The EDI tax credits will apply to the 2017/18 tax year and must be issued by KRC by 30 June 2018. The Company currently has 1,171,931,305 shares on issue, equating to an EDI distribution of 0.03 cents per share.

Any other shares issued prior to the Record Date will also be eligible for the credit and will impact the EDI distribution amount per share.

Eligible shareholders will be notified by the Company of their EDI credit entitlement in the approved form on Friday 29 June 2018, and the EDI credits will apply to income tax assessed for the year ended 30 June 2018.

Australian resident shareholders that are issued with exploration credits will generally be entitled to refundable tax offsets (for individual shareholders or superannuation funds) or franking credits (for companies). Non-residents receiving credits will not be able to utilise them.

In March 2015, the Federal Parliament passed legislation introducing the EDI scheme based on an annual application process. The ATO is the administrator of the scheme. The EDI scheme enables eligible exploration companies to create exploration credits to distribute to shareholders by forgoing a portion of their carried forward tax losses that have arisen from allowable expenditure on “greenfield” exploration.