

Thursday 7th November, 2024

Portfolio Stock Update

King River Resources - (ASX: KRR, Share Price: \$0.009, Market Cap: \$17m, coverage initiated @ \$0.009 in August 2017)



Key Catalyst

Encouraging results from drilling at the Kurundi Prospect in the Northern Territory, including the discovery of a new high-grade gold zone located 250m south of the central main workings.

KRR has been a successful but volatile performer since we initiated coverage @ \$0.009 during August 2017, having traded as high as \$0.16 – representing a then-gain of 1,677%. The company's initial focus was on appraisal and development of its 100%-owned, large-scale Speewah specialty metals project within the Eastern Kimberley, with the potential to produce a range of metals in addition to vanadium. KRR subsequently entered into a sale agreement in early 2023 with Tivan Limited (ASX: TVN) for the sale of the Speewah Project for consideration of \$20 million (\$10 million in staged cash payments and \$10 million in Tivan shares). KRR's focus is now its enormous +7,000 sq km acreage position comprising 16 exploration licences within the Tennant Creek and Barkly region of the NT, which is rapidly becoming a much sought-after exploration province and where a very high level of exploration activity taking place.

Latest Activity

Tennant Creek Project Update

KRR has provided an important update with respect to its Tennant Creek exploration interests, where an ongoing drilling campaign commenced back in November 2023.

Overview

KRR maintains a substantial acreage position of +7,000 sq km within the highly prospective Tennant Creek and Barkly region. During the recent September 2024 Quarter, KRR received the first batch of assay results from drilling for Iron Oxide Copper-Gold (IOCG) targets at the Langrenus and Commitment prospects and gold targets at the Kurundi Prospect, all located within the Tennant East Project area. This drilling is the second part of KRR's larger \$2 million drilling budget to follow up on targets generated from the 2023 geophysics programme targeting prospective IOCG areas at Rover East, Tennant East, Barkly and Kurundi. This work also includes multiple targets along strike of geophysical and geological trends associated with other known significant deposits of high-grade Copper and Gold including Rover, Bluebird and Mauretania. Additional drilling phases will also be completed at the other project areas.

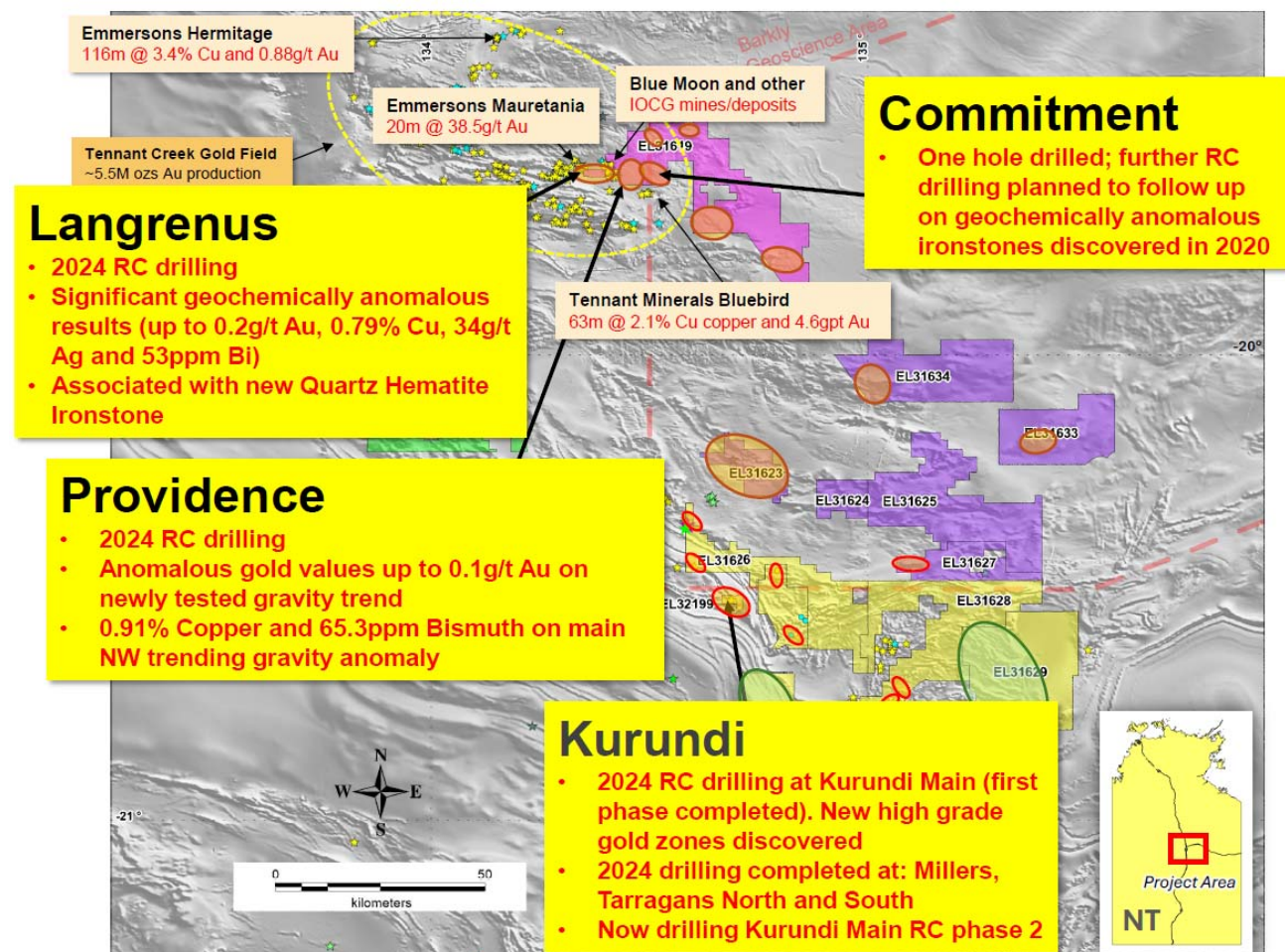


Figure 1: KRR Tennant Creek tenements and recent exploration work (coloured polygons – KRR Tenements).

Kurundi

At Kurundi, drilling has focused on extending previously discovered high-grade gold mineralisation (reported in 2022) and testing alternative structural positions identified in detailed drone magnetics completed in 2023. A total of 28 RC holes for 1,986m have been completed, testing three main targets:

- northern and southern extensions of the Kurundi structure up to 1km from the central main workings
- testing the plunge of the central high-grade shoot intersected in 2022 drilling
- testing mineralisation deeper beneath the central main workings

Encouragingly, significant results have been returned that include the discovery of a new high-grade gold zone located 250m south of the central main workings, with a best result in hole TTRC098 of 9m @ 1.62g/t Au from 49m (including 1m @ 12.75g/t Au from 53m). Other promising results include:

- TTRC103: 3m @ 8.3g/t Au from 35m (including 1m @ 16.25g/t Au from 36m) at the central main zone
- TTRC092: 5m @ 2.14g/t Au from 38m (including 1m @ 6.39g/t Au from 40m) at the central main zone
- TTRC110: 2m @ 5.11g/t Au from 44m (including 1m @ 6.33g/t Au from 45m) at the northern workings

In addition, a possible new style of mineralisation on a porphyry-basalt contact, footwall to the central main mineralized zone, has been identified that requires further investigation. The intercept in hole TTRC103 comprises 2m @ 10.93g/t Au from 51m (including 1m @ 20.75g/t Au from 51m).

A second phase of drilling has commenced to test the new southern high-grade zone and continue exploring the other Kurundi Main targets.

Langrenus

Langrenus is situated within the Mauretania-Hopeful Star trend, just 700m from the nearest historical mining and 1km along the strike of the Mauretania prospect where former coverage stock, Emmerson Resources (ASX: ERM), reported diamond drill result of 20m at 38.5g/t Au associated with copper, silver, bismuth, cobalt and antimony.

Assay results have been received for KRR's initial drilling at Langrenus (15 RC holes for 2,262m), with significant geochemical anomalies and gold results returned. These new results are associated with a broad quartz hematite structure with results of up to 0.2g/t Au, 53ppm Bi, 206ppm As, 93ppm Sb, 178ppm Co, and 3.8ppm Ag. This quartz hematite zone has an approximate down hole thickness of 20m with varying intensity of quartz veining and hematite/specular hematite in altered Warramunga siltstone units.

Significant copper (0.79% Cu), bismuth (48ppm Bi), and silver (34ppm Ag) were also returned from strongly iron altered siltstones 100m to the north of the quartz hematite breccia (TTRC072).

Quartz hematite breccias are known to be formed as peripheral zones around mineralized ironstones and are also associated with the Hopeful Star and Mauretania deposits. These new geochemically anomalous results are very promising and give KRR a strong structural target along strike of the complex ironstone and mineralised trend that hosts Mauretania and Hopeful Star. Further work is planned to test the orientation and extents of this new geochemically anomalous structure.

Providence

Results from phase 2 RC drilling at Providence have been received (five RC holes for 678m). This small program was drilled to follow up on structures and geochemical results identified in KRR's 2023 drilling and to provide information for deeper targeting of stronger gravity anomalies and structural intersects.

Two of the holes returned significant geochemical anomalies - TTRC084 returned anomalous gold values up to 0.1g/t Au from a previously undrilled northwest gravity trend east of the main northwest gravity anomaly – and TTRC88 returned 0.91% Copper and 65.3ppm Bismuth (in a 4m composite sample) at the northern end of the main northwest gravity trend.

These new anomalous gold, bismuth and copper results at Providence are very encouraging and further work is being planned to test the orientation and extents of these geochemically anomalous ironstone associated structures.

Technical Significance

KRR is continuing to maintain its methodical exploration approach at its Tennant Creek projects, which began with detailed geophysical survey work in 2023 prior to the commencement of follow-up drilling of the best targets.

KRR's projects are within areas of prospective stratigraphy/structures that have previously been sparsely explored or overlooked due to shallow Cambrian cover. KRR's Tennant Creek East project lies immediately east of the Tennant Creek gold field (where historically 5.5m oz have been produced from high-grade Iron oxide copper gold (IOCG) deposits).

Of particular interest is the Mauretania-Hopeful Star trend. Target Area 1 lies just 700m from the nearest historical mining and 1km along strike from the Mauretania prospect, where Emmerson Resources (ASX: ERM) returned a best drill result of 20m @ 38.5g/t Au in a diamond drill-hole. The latest geochemically anomalous drilling results are very promising and give KRR a strong structural target along strike of the complex ironstone and mineralised trend that hosts Mauretania and Hopeful Star. Further work is planned to test the orientation and extents of this new geochemically anomalous structure.

Cash Position

KRR's cash position as at 30 September 2024 was \$4.2 million.

Investments

KRR also holds the following securities in fellow coverage stock, Tivan Limited (ASX: TVN):

- 100 million ordinary shares (ASX: TVN) valued at \$4.7 million as at 30 September 2024. These shares are subject to voluntary escrow until 17 February 2025.
- 4 million listed options (ASX: TVNO) expiring 30 June 2026 with an exercise price at \$0.30. These options are valued at \$24,000 as at 30 September 2024.

Receivables

On 8 July 2024, KRR received a cash payment of \$1.6 million towards the sale of the Speewah Project. At September quarter's end, KRR has \$2.4 million cash receivable from TVN for the sale of Speewah Project, which is due and payable by February 2025.

In addition, TVN and KRR have agreed that if the value of the 100 million TVN shares held by KRR is less than \$10 million on 17 February 2025, calculated on the basis of TVN's preceding 30-day volume weighted average price (VWAP), then TVN shall issue to KRR such additional number of TVN shares at that VWAP which when combined with the existing 100 million shares is valued at a total of \$10 million.

Speewah Project Sale Background

KRR's subsidiary, Speewah Mining Pty Ltd, was the former owner of the Speewah Vanadium-Titanium-Iron Project, located 100km south of the port town of Wyndham within the Kimberley region of northwest Western Australia. Speewah hosts the largest reported vanadium-in-titanomagnetite resources in Australia (and also one of the largest globally), containing JORC-compliant Mineral Resources of Measured, Indicated and Inferred Resources of 4.7 billion tonnes at 0.30% V₂O₅, 14.7% Fe and 3.3% TiO₂ (0.23% V₂O₅ cut-off grade).

Speewah is considered amenable to processing with the TIVAN® Process, TVN's 100%-owned and patented processing technology for titanomagnetite ore bodies. The sale of Speewah now sees TVN owning two large-scale vanadium in titanomagnetite deposits within Australia – the Mount Peake Vanadium-Titanium-Iron Project in the Northern Territory and Speewah. This provides TVN with crucial impetus for feeding its planned centralised TIVAN® Processing Facility at Middle Arm, Darwin.

Quite simply, the two projects are best developed under one ownership structure (via TVN), with KRR retaining a significant shareholding in TVN, as well as receiving cash proceeds that can fund its 100%-owned exploration efforts.

Summary

KRR is firmly focused on its Tennant Creek and Barkly region exploration properties, where it maintains a substantial acreage position of +7,000 sq km.

The September Quarter saw KRR receive the first batch of assay results from drilling for Iron Oxide Copper-Gold (IOCG) targets at the Langrenus and Commitment prospects, and gold targets at the Kurundi Prospect, all located within the Tennant East Project area. This drilling is the second part of KRR's larger \$2 million drilling budget to follow up on targets generated from the 2023 geophysics program targeting prospective IOCG areas at Rover East, Tennant East, Barkly and Kurundi. This work also includes multiple targets along strike of geophysical and geological trends associated with other known significant deposits of high-grade copper and gold including Rover, Bluebird and Mauretania. Additional drilling phases will also be completed at the other project areas.

KRR is now a much simpler company for investors to understand, with a less complex business model. The sale of the Speewah project to TVN for \$20 million in equity and cash, represents a win-win for both TVN and KRR. For KRR, it will benefit from having the Speewah project commercialised and will retain a stake in the project's future via the 100 million shares in TVN that it now holds.

KRR therefore remains firmly within our coverage Portfolio.

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