

Australian Securities Exchange Announcement

21 April 2020

HIGHLIGHTS

- The Speewah Specialty Metals (SSM) Project Prefeasibility Study is currently being costed on a smaller scale Beneficiation-Agitated Tank Sulphuric Acid leaching-precipitation process to produce High Purity Alumina (99.99% Al₂O₃ 4N HPA). Vanadium pentoxide (>98% V₂O₅), Titanium dioxide (>99% TiO₂) and Iron oxide (>65% Fe₂O₃) will be investigated as co-products at a later stage.
- ❖ Mt Remarkable (WA) and Tennant Creek (NT) exploration in 2019 have delineated targets for drilling in 2020 after the COVID-19 restrictions have been lifted.

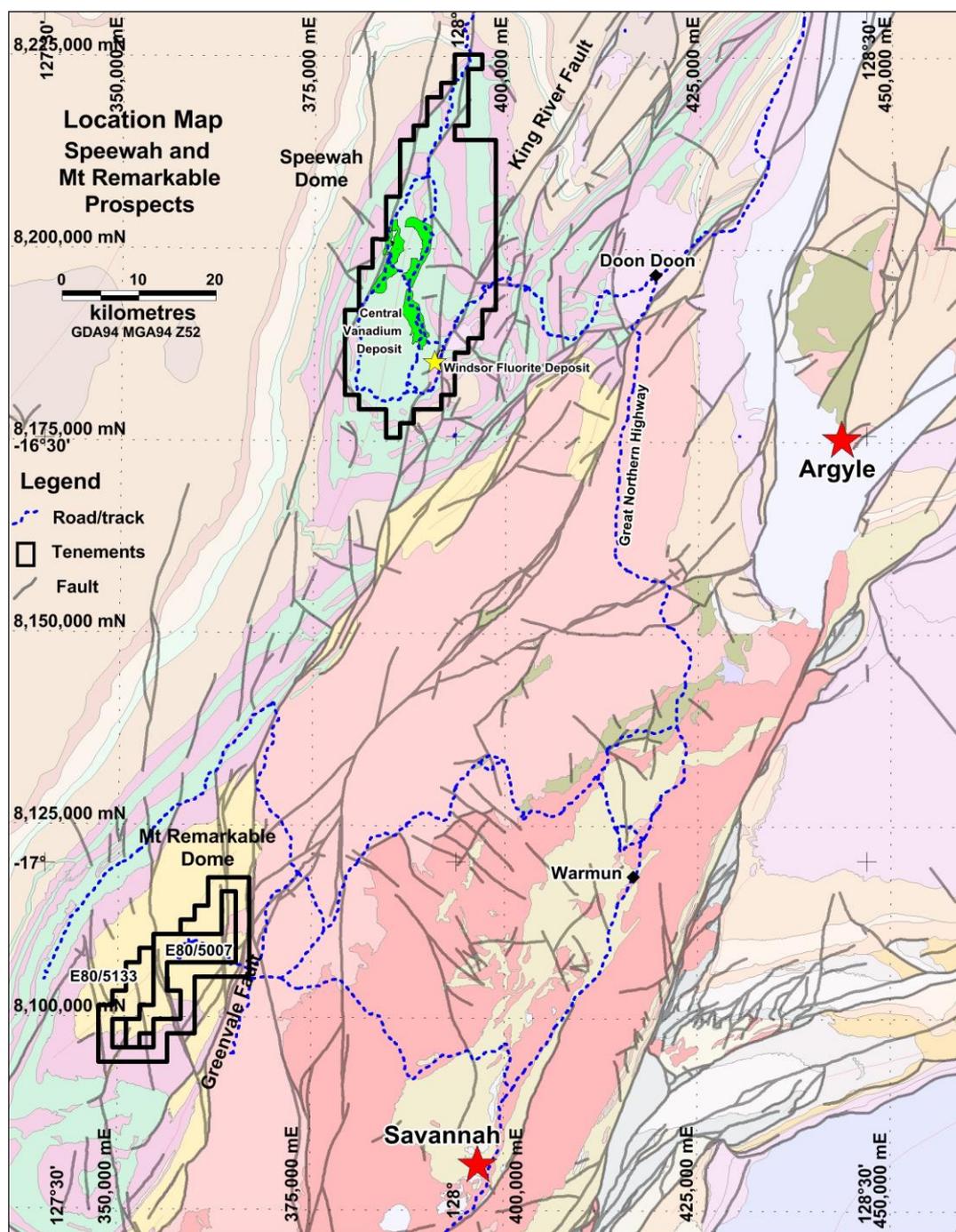


Figure 1: Location of the Speewah and Mt Remarkable projects on a regional geological map

During the March quarter 2020 King River Resources Ltd (ASX:KRR) reported on the Speewah Specialty Metals (SSM) Project and also the high grade Mt Remarkable Gold Project and the Treasure Creek Gold-Copper Project. All these areas are 100% owned by KRR. Speewah and Mt Remarkable are located on the margin of the mineral rich Halls Creek Orogen in the East Kimberley of Western Australia, near the Argyle diamond mine and Savannah nickel mine (Figure 1). Treasure Creek is located in the mineral rich Tennant Creek belt in the Northern Territory.

Mt Remarkable

Final assays were returned from the 2019 RC drilling at KRR Mt Remarkable gold project (KRR ASX release 10 January 2020). Drilling targeted the Trudi vein as well as veins identified during reconnaissance exploration earlier in 2019. Best results from the latest assays are from the Trudi vein and the Jennifer North vein.

- A new mineralised zone has been discovered 150m east of the main Trudi deposit. Drilling intersected 7m @ 0.85g/t Au including 1m @ 2.42g/t Au in strong quartz adularia veining (Figure 2).
- At Jennifer North 3 holes intersected gold mineralisation on a quartz adularia vein set in newly granted tenement EL5133 (Figure 1).

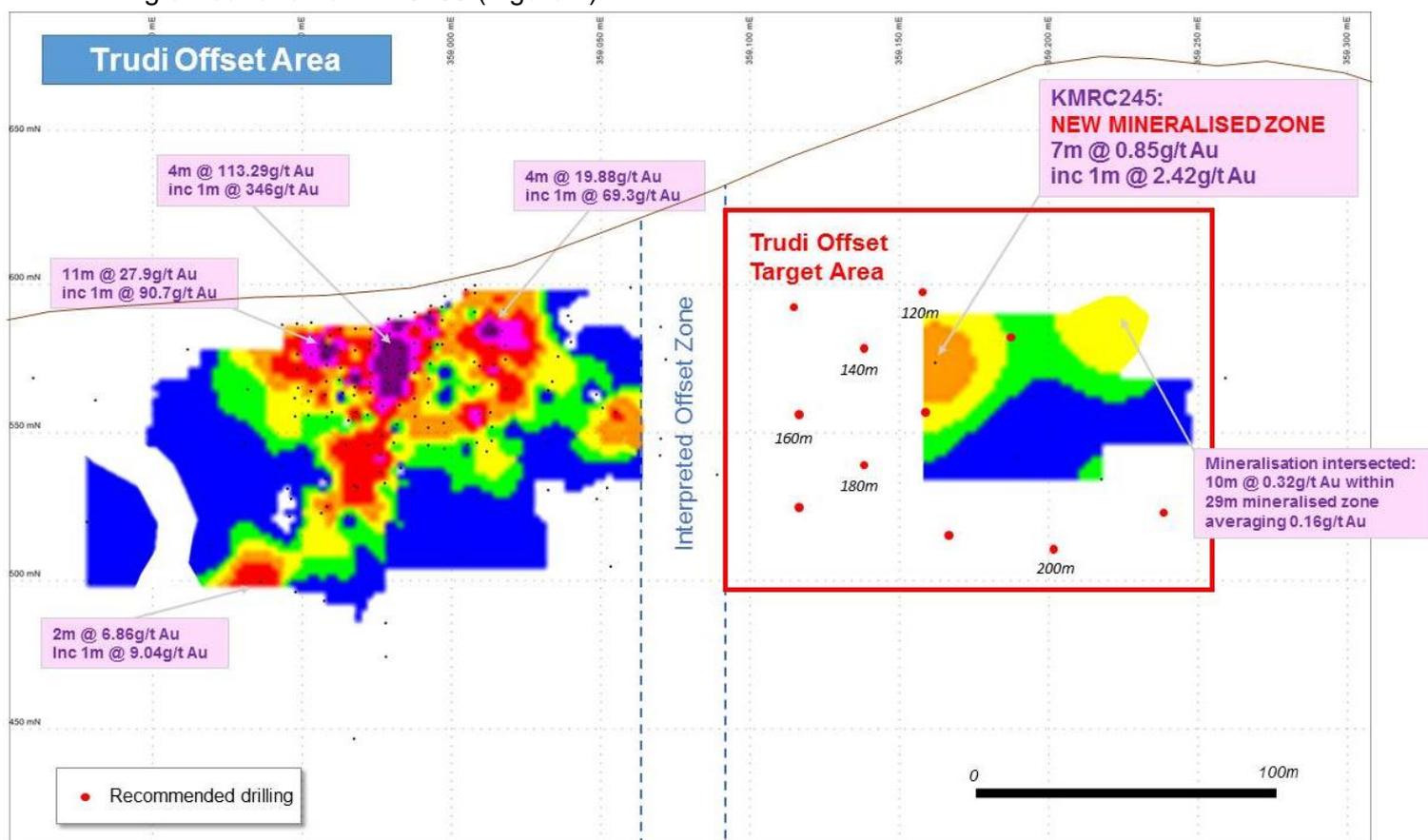


Figure 2: Long projection, looking north, showing the new mineralised zone intersected 150m east of Trudi Main and the multiple very high-grade gold zones within the Trudi Main Grid Area.

Tennant Creek: Treasure Creek Project

Geophysical work at Tennant Creek in 2019 defined two IOCG targets on EL31619: the Lonestar Trend magnetic anomaly and Commitment Magnetic Anomaly (KRR ASX release 10 January 2020). The strength of the magnetic and gravity anomalism at Commitment and the Lone Star Trend is comparable to other known IOCG deposits in the area.

Gravity and magnetics at Lonestar Trend have defined the main magnetic anomaly located 3.3km from Emmerson’s Mauritania prospect, and also another significant east-west magnetic trend (Figure 3).

The Commitment Prospect is a significant magnetic high 16km to the east of the Lone Star Trend prospect area. The new gravity survey has identified a significant gravity high adjacent to and slightly offset from the main magnetic high (Figure 4). This may represent a more hematite rich part of an ironstone body.

KRR is reviewing the geological and geophysical data of all its Treasure Creek tenements and has already identified multiple iron oxide copper-gold targets within the granted Licences. Drilling of the main EL31619 geophysical targets is planned for 2020 after the current restrictions related to the COVID-19 outbreak are clarified and environmental approvals for the planned drilling are approved by the NT Mines department.

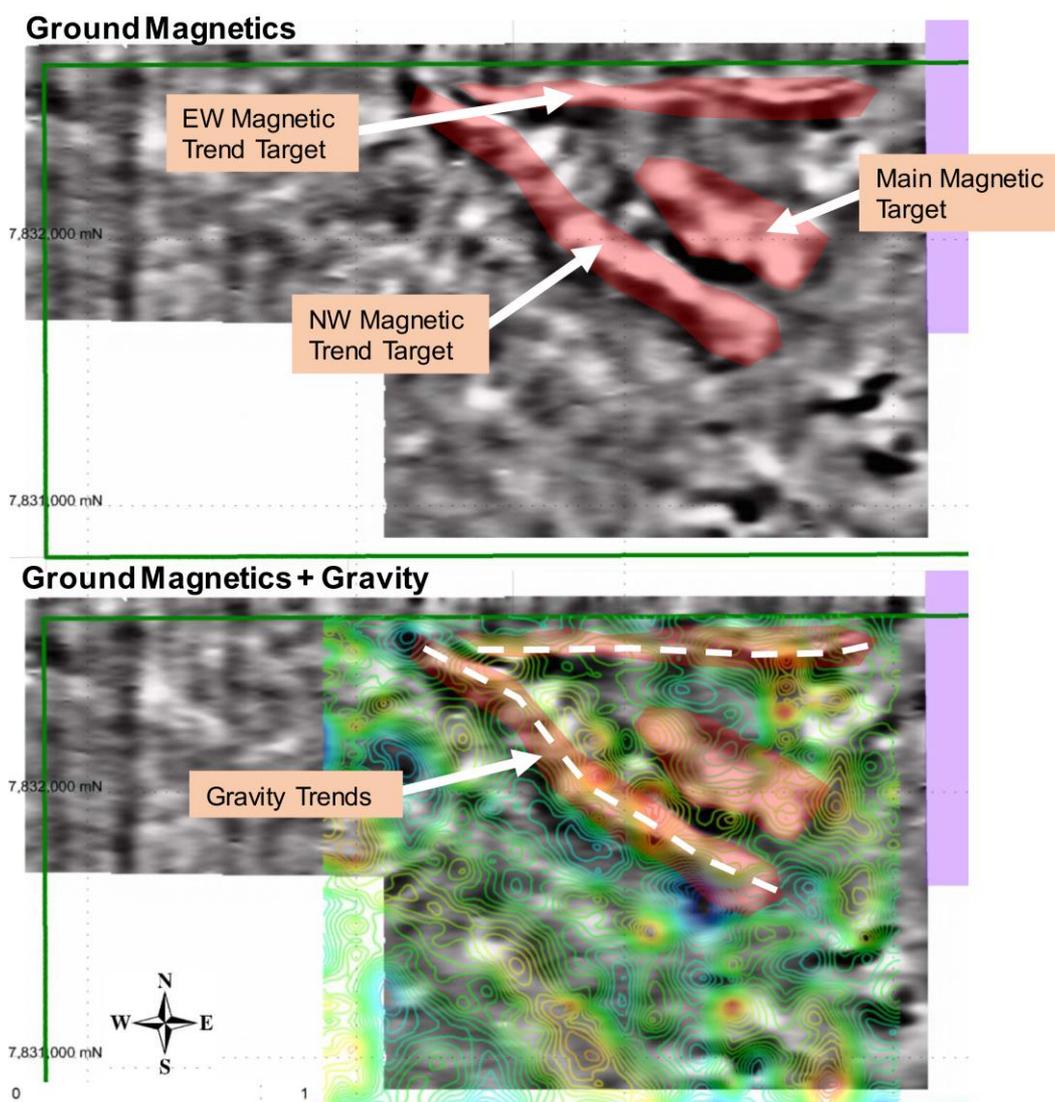


Figure 3: Gravity (contours) over ground magnetics (image) at the Lonestar Prospect shows coincident magnetic high and gravity high trend.

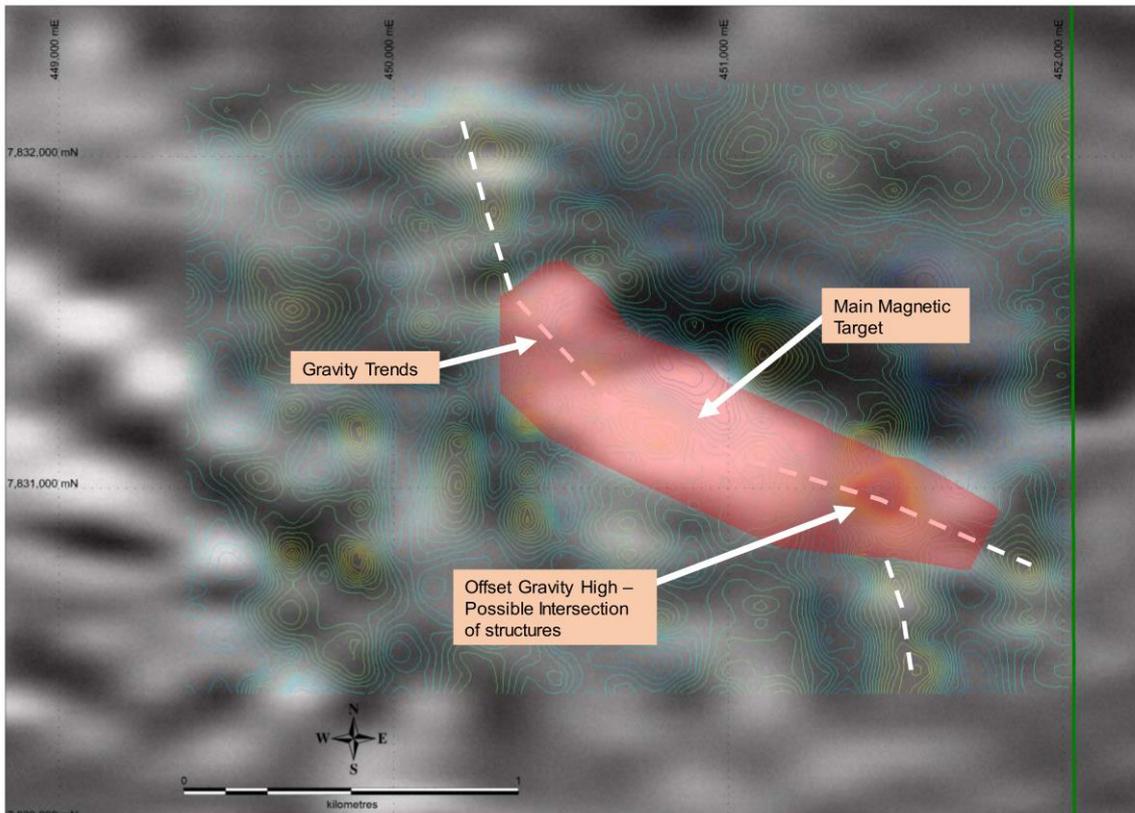


Figure 4: Gravity (contours) over ground magnetics (image) at Commitment, shows magnetic high and offset gravity high.

Speewah Specialty Metals (SSM) Project

KRR provided a Prefeasibility Study (“PFS”) update on the company’s 100% owned Speewah Specialty Metals (“SSM”) Project (KRR ASX release 22 January 2020), located in the East Kimberley of Western Australia (Figure 1). The PFS is examining a new process route to produce high purity alumina (“HPA”) in a smaller scaled operation, with vanadium pentoxide (V_2O_5), titanium dioxide pigment (TiO_2) and iron oxide (Fe_2O_3) products deferred to a later stage of development (refer KRR ASX release 26 November 2019).

Study developments

- ❖ Late in 2019 KRR made a breakthrough in extracting aluminium (Al) directly from the V, Ti, Fe, Al and Mg rich sulphuric acid leach solution as the first precipitation product (KRR ASX release 26 November 2019) from which 99.98% Al_2O_3 HPA was produced by a new process (KRR ASX release 6 December 2019).
- ❖ KRR is progressing flowsheet development of its new process to make HPA, and also the extraction of V_2O_5 , TiO_2 and Fe_2O_3 by conventional solvent extraction methods.
- ❖ HPA testwork has focussed on simplifying the process steps to improve Al recovery and ensure the lowest level of contaminants for the production of 4N (99.99% Al_2O_3) HPA.
- ❖ Sulphuric acid (H_2SO_4) leach testwork on magnetite concentrate, non-magnetic concentrate fractions and run of mine rock now supports the potential of a smaller scale project development design where Alumina is targeted and extracted by leaching rock that has only been mined, crushed and ground to 0.15mm without further beneficiation.

- ❖ Leach test results on whole rock drill core samples from the high grade zone of SDH11-09 in the Central deposit (Figure 5), ground to P₈₀ 0.15mm, leached in 20% H₂SO₄ at 70°C and 20, 30% and 35% pulp densities, for 96 hours, reported aluminium (Al) leach extractions of 37-42% (KRR ASX release 22 January 2020).
- ❖ Mineral characterisation studies on the magnetite gabbro have shown zonation of the alumina-rich plagioclase feldspar that may explain the high Al and low Na and K extractions in all leach testwork.
- ❖ The Junction vanadium deposit drill results (KRR ASX announcement 27 September 2019), located on the granted Mining Lease M80/267 (Figure 5), provide further optionality for the development and timing of the SSM project.

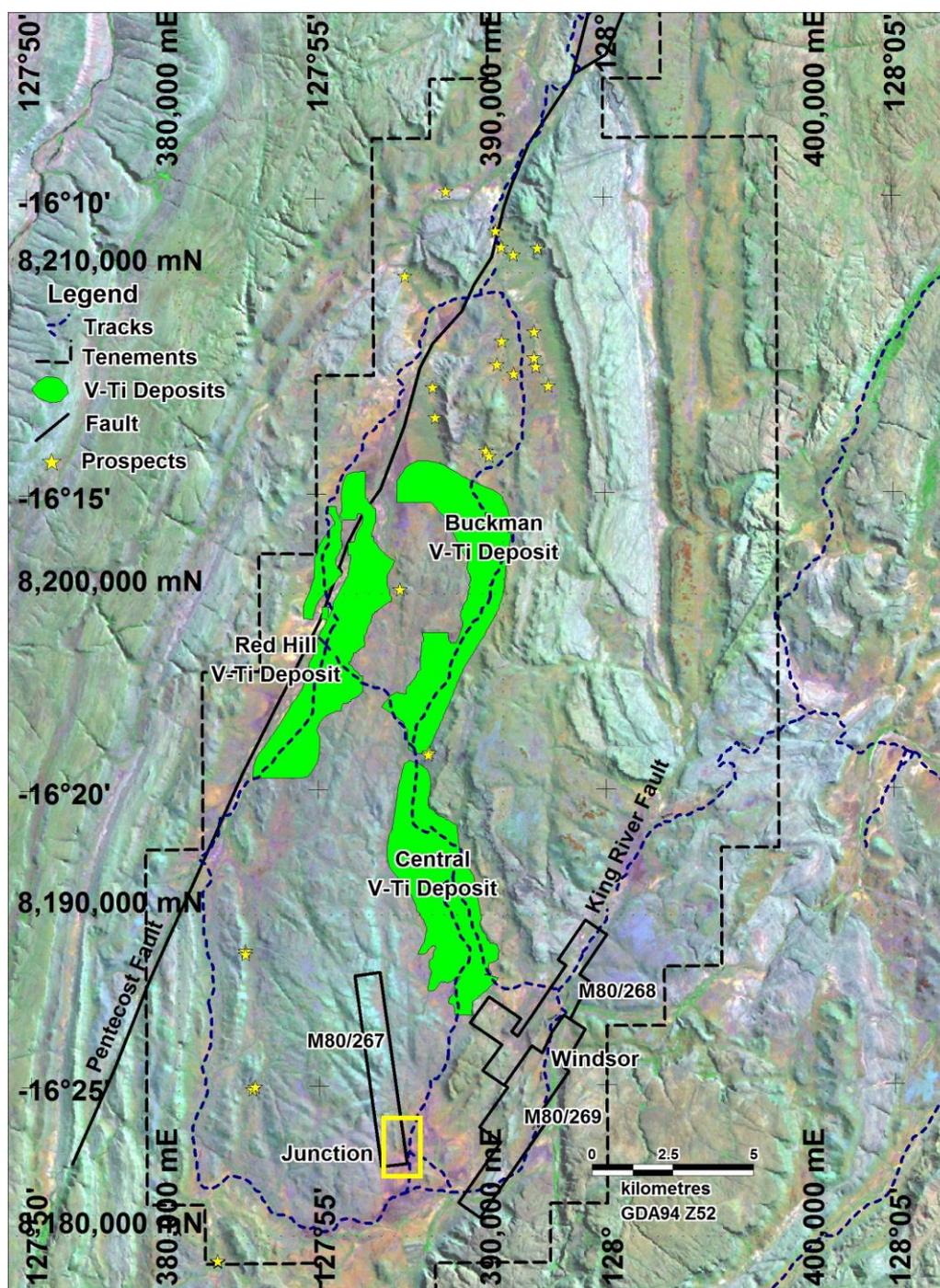


Figure 5: Location of the Central, Buckman and Red Hill vanadium deposits, and the Junction Prospect (yellow box) on Mining Lease M80/267 at Spewah.

Statement by Competent Person

The information in this report that relates to Exploration Results, Mineral Resources, Metallurgy and Previous Studies is based on information compiled by Ken Rogers (BSc Hons) and fairly represents this information. Mr. Rogers is the Chief Geologist and an employee of King River Resources Ltd, and a Member of both the Australian Institute of Geoscientists (AIG) and The Institute of Materials Minerals and Mining (IMMM), and a Chartered Engineer of the IMMM. Mr. Rogers has sufficient experience of relevance to the styles of mineralisation and the types of deposits under consideration, and to the activities undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr. Rogers consents to the inclusion in this report of the matters based on information in the form and context in which it appears.

Corporate

The Company's cash position as at 31 March 2020 was \$293,789.

The Company entered a loan facility with a Harvey Springs Estate Pty Ltd, a company controlled by Anthony Barton. The lending facility is non-interest bearing and unsecured in the amount of \$250,000, which could be drawn down by KRR to be used for working capital. The maturity date is 31 December 2020.

The Company's available funding as at 31 March 2020 was \$543,789.

On 8 April 2020, the Company received a R&D Tax Rebate of \$385,064. The funds will be used to support working capital. The Company has also implemented cash preservation measures. The directors of the Company will defer payment of all directors' fees until the end of this financial year.

With regards to the item 6.1 of the Appendix 5B totalling \$23,980, the Company provides the following information:

- ❖ Directors Fees: \$22,630
- ❖ Office Representation: \$1,350

This announcement was authorised by the Chairman of the Company.

Anthony Barton

King River Resources Limited
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Phone: +61 8 92218055

**TABLE 1: SCHEDULE OF TENEMENTS HELD AT 31 DECEMBER 2019
SPEEWAH MINING PTY LTD and WHITEWATER MINERALS PTY LTD
(wholly-owned subsidiaries of King River Resources Limited)**

Tenement	Project	Ownership	Change During Quarter
E80/2863	Speewah (held by Speewah Mining Pty Ltd)	100%	
E80/3657		100%	
E80/4468		100%	
E80/4741		100%	
E80/4831		100%	
E80/4961		100%	
E80/4962		100%	
E80/4972		100%	
E80/4973		100%	
L80/43		100%	
L80/47		100%	
M80/267		100%	
M80/268		100%	
M80/269		100%	
E80/5007	Mt Remarkable (held by Whitewater Minerals Pty Ltd)	100%	
E80/5133		100%	
E80/5176		100%	
E80/5177		100%	
E80/5178		100%	
ELA80/5192		100%	
ELA80/5193		100%	
E80/5194		100%	
E80/5195		100%	
E80/5196		100%	

Note:

E = Exploration Licence (granted) ELA = Exploration Licence (application)

M = Mining Lease (granted) L = Miscellaneous Licence (granted)

TREASURE CREEK PTY LTD
(wholly-owned subsidiary of King River Resources Limited)

Tenement	Project	Ownership	Change During Quarter
EL31617	Tennant Creek	100%	
EL31618		100%	
EL31619		100%	
EL31623		100%	
EL31624		100%	
EL31625		100%	
EL31626		100%	
EL31627		100%	
EL31628		100%	
EL31629		100%	
EL31633		100%	
EL31634		100%	
EL32199		100%	Granted 31/1/20
EL32200		100%	Granted 31/1/20
ELA32344		100%	
ELA32345		100%	

Note:

EL = Exploration Licence (granted)

ELA = Exploration Licence (application)

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

KING RIVER RESOURCES LIMITED

ABN

67 100 714 181

Quarter ended ("current quarter")

31 MARCH 2020

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation (if expensed)	-	-
(b) development	-	-
(c) production	-	-
(d) staff costs	-	-
(e) administration and corporate costs	(154)	(554)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	1
1.5 Interest and other costs of finance paid	(1)	(1)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	115
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(155)	(439)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	-	-
(b) tenements	(2)	(8)
(c) property, plant and equipment	-	(2)
(d) exploration & evaluation (if capitalised)	(330)	(2,191)
(e) investments	-	-
(f) other non-current assets	-	-

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(332)	(2,201)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (Warehouse Leases)	(13)	(33)
3.10	Net cash from / (used in) financing activities	(13)	(33)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	794	2,967
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(155)	(439)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(332)	(2,201)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(13)	(33)

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	294	294

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	282	782
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	12	12
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	294	794

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

Current quarter \$A'000
24
-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities		Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i>			
<i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>			
7.1	Loan facilities	250	0
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	250	0
7.5	Unused financing facilities available at quarter end		250
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
Loan amount: \$250,000 which could be drawn down by KRR to be used for working capital. Lender: Harvey Springs Estate Pty Ltd, a company controlled by Anthony Barton Maturity date: 31 December 2020 Non-interest bearing and unsecured facility			

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	(155)
8.2 Capitalised exploration & evaluation (Item 2.1(d))	(330)
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	(485)
8.4 Cash and cash equivalents at quarter end (Item 4.6)	294
8.5 Unused finance facilities available at quarter end (Item 7.5)	250
8.6 Total available funding (Item 8.4 + Item 8.5)	544
8.7 Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	1.12
8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:	
1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: No, <ul style="list-style-type: none"> - KRR has suspended all field exploration activities and drilling program due to border restriction from COVID-19. The Company will continue to progress towards completing the prefeasibility studies. - KRR has also introduced cost reduction measures; including deferral of Director Fee payments. 	
2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	

Answer: Yes,

- KRR entered into an unsecured loan facility in the amount of \$250,000, this facility can be increased if required.
- KRR has received a 2019 R&D Tax Rebate in the amount of \$385,064 on 8 April 2020.
- KRR plans to undertake future capital raising activities when required, the steps for the capital raising will be reviewed when the prefeasibility studies have been completed.

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: Yes,

- KRR has received a R&D Tax rebate of \$385,064 on 8 April 2020 which provides additional funding for operations, the R&D funds increases the total available funding at item 8.6 to \$929,000.
- During the pandemic period, KRR has implemented cost reduction measures including the deferral of Director Fee payments and suspended field exploration activities.
- KRR plans to undertake future Capital Raising activities when required.

Compliance statement

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

21 April 2020

Date:

By the board

Authorised by:
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.