

**KING RIVER RESOURCES LIMITED**  
**ACN 100 714 181**

**NOTICE OF GENERAL MEETING**  
**AND**  
**EXPLANATORY STATEMENT**

For the General Meeting to be held  
on 13 August 2020 at 10:00am (WST) at

254 Adelaide Terrace, Perth, Western Australia

This is an important document. Please read it carefully.  
Please speak to your professional advisers if you have any questions about this document or how to  
vote at the Meeting.

## TIME AND PLACE OF GENERAL MEETING AND HOW TO VOTE

### Venue

The General Meeting of the Company will be held at:

254 Adelaide Terrace  
Perth, Western Australia, 6000

Commencing  
10:00 am (WST)  
13 August 2020

### How to Vote

You may vote by attending the Meeting in person, by proxy or authorised representative.

### Voting in Person

To vote in person, attend the Meeting on the date and at the place set out above. The Meeting will commence at 10:00 am (WST).

### Voting by Proxy

To vote by proxy, please complete and sign the proxy form enclosed with this Notice as soon as possible and either deliver the proxy form by post, by facsimile or by email in accordance with the instructions on the proxy form. You may also submit your proxy form online in accordance with instructions on the proxy form.

Your proxy form must be received no later than 48 hours before the commencement of the Meeting.

Your proxy form is enclosed.

**KING RIVER RESOURCES LIMITED**  
**ACN 100 714 181**  
**NOTICE OF GENERAL MEETING**

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Notice is hereby given that the General Meeting of the Shareholders of King River Resources Limited will be held at 254 Adelaide Terrace, Perth, Western Australia, on 13 August 2020 at 10:00 am (WST) for the purpose of transacting the following business.

The attached Explanatory Statement is provided to supply Shareholders with information to enable Shareholders to make an informed decision regarding the Resolution set out in this Notice. The Explanatory Statement is to be read in conjunction with this Notice.

**AGENDA**

**RESOLUTION 1 – APPROVAL TO ISSUE SPP SHARES AND SPP OPTIONS**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That, the issue of up to 249,727,711 SPP Shares and up to 124,863,856 SPP Options under the SPP is approved under and for the purposes of Listing Rule 7.1 and for all other purposes, on the terms set out in the Explanatory Statement."*

<p><b>Voting Exclusion:</b> The Company has been granted a waiver by ASX under Listing Rule 7.3.9 to permit any person who has an interest in this Resolution and ordinarily excluded from voting in favour of this Resolution to vote, on the condition that the Company excludes any votes cast on this Resolution by any proposed underwriter or sub-underwriter of the SPP (which there is none).</p>
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**VOTING AND PROXIES**

1. A Shareholder of the Company entitled to attend and vote is entitled to appoint not more than two proxies. Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the Shareholder's voting rights. If the Shareholder appoints two proxies and the appointment do not specify this proportion, each proxy may exercise half of the votes. A proxy need not be a Shareholder of the Company.
2. Where a voting exclusion applies, the Company need not disregard a vote if it is cast by the person who is entitled to vote in accordance with the directions on the proxy form or it is cast by Chair of the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.
3. The Chair of the Meeting will vote undirected proxies in favour of the Resolution.
4. In accordance with Regulation 7.11.37 of the Corporations Act, the Directors have set a date to determine the identity of those entitled to attend and vote at the Meeting. The date is 11 August 2020 at 5:00 pm (WST).
5. A proxy form is attached. If required it should be completed, signed and returned to the Company's registered office in accordance with the instructions on that form.

By order of the Board

  
Greg MacMillan  
Director and Joint Company Secretary

Dated: 10 July 2020

# KING RIVER RESOURCES LIMITED

ACN 100 714 181

## EXPLANATORY STATEMENT

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This Explanatory Statement is intended to provide Shareholders with sufficient information to assess the merits of the Resolution contained in the Notice.

The Directors recommend that Shareholders read this Explanatory Statement in full before making any decision in relation to the Resolution.

### 1. BACKGROUND TO THE SPP AND THE RESOLUTION

On 23 June 2020 the Company announced a capital raising by way of a security purchase plan (SPP). The Company provided an update to the SPP capital raising on 9 July 2020.

By the SPP Offer and any subsequent Shortfall Offer, the Company will offer for subscription up to 249,727,711 SPP Shares at an issue price of 3.3 cents per SPP Share together with up to 124,863,856 free SPP Options on the basis of 1 free SPP Option for every 2 SPP Shares subscribed for by Eligible Shareholders.

Up to approximately \$8,241,014 will be raised by the issue of the SPP Shares. Eligible Shareholders will be entitled to apply for a maximum of \$30,000 of SPP Shares under the SPP Offer.

ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547 ("**ASIC Instrument 2019/547**") allows a company to undertake a share purchase plan without the need for issuing a prospectus, so long as the share purchase plan complies with certain conditions. The Company is unable to rely on ASIC Instrument 2019/547 to undertake the SPP Offer as ASIC Instrument 2019/547 does not allow for the issue of options under a share purchase plan.

By reason of the restrictions in ASIC Instrument 2019/547, the SPP Offer (of both SPP Shares and SPP Options) is being made under a prospectus.

As a further consequence of being unable to rely on ASIC Instrument 2019/547, the SPP Offer is outside the definition of a "*security purchase plan*" in the Listing Rules and each of exception 5 of Listing Rule 7.2 (an issue of securities under a security purchase plan) and exception 4 of Listing Rule 10.12 (an issue of securities to a Listing Rule 10.11 party under a security purchase plan) is unavailable. The Company therefore needs to obtain Shareholder approval under the Listing Rules to issue the SPP Shares and SPP Options.

Shares and Options not taken up under the SPP Offer will form the shortfall (Shortfall Securities). The Directors reserve the right to issue any Shortfall Securities under the Shortfall Offer in the prospectus to unrelated parties at their discretion including to sophisticated and professional investor parties other than Eligible Shareholders.

The SPP Offer, although including Options, will otherwise comply with and be conducted on the same terms as a share purchase plan that is ordinarily undertaken under ASIC Instrument 2019/547 relief. Thereby, Eligible Shareholders may subscribe for up to a total subscription limit of \$30,000 of Shares per Eligible Shareholder.

The funds raised by the SPP are intended to be applied to fund completion of the prefeasibility study on Speewah Specialty Metals Project, a definitive feasibility study on the Speewah Specialty Metals Project, exploration and drilling programme at Mt Remarkable Project and the Tennant Creek Project, loan repayment, and to provide general working capital.

## **2. ASX WAIVERS**

In order to not exclude all Shareholders from being able to vote in favour of Resolution 1 and to enable Directors and their associates to participate in the SPP, the Company obtained the following waivers:

- (a) a waiver from Listing Rule 7.3.9 to permit Resolution 1 to not include a voting exclusion statement that excludes votes in favour of the Resolution by any person who may participate in the SPP or an associate of such a person; and
- (b) a concurrent waiver from Listing Rule 10.11 to permit Directors and their associates to participate in the SPP on the same terms as other Eligible Shareholders without obtaining Shareholder approval under Listing Rule 10.11.

Listing Rule 10.11 provides that unless one of the exceptions in Listing Rule 10.12 applies, a listed company must not issue or agree to issue equity securities to various parties listed in Listing Rule 10.11.1 without the approval of its shareholders. The parties listed in Listing Rule 10.11.1 include a related party (such as a director) and an associate of a related party. Therefore, without a waiver from Listing Rule 10.1, the Company would need to obtain Shareholder approval for each of the Directors including any controlled entities to participate in the SPP.

## **3. RESOLUTION 1 – APPROVAL TO ISSUE OF SPP SHARES AND SPP OPTIONS**

### **3.1 Background**

As detailed in Section 1 of this Explanatory Statement, the Company is providing an opportunity for Eligible Shareholders to participate in the SPP. Each Eligible Shareholder may subscribe for up to a total subscription limit of \$30,000 of Shares under the SPP Offer. Free attaching Options will be issued on the basis of 1 Option for every 2 Shares subscribed for. The Directors may issue Shortfall Securities (being the same SPP securities) under the Shortfall Offer to unrelated parties at their discretion including to sophisticated and professional investor parties that are not Eligible Shareholders.

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary shares it had on issue at the start of that period.

The issue of the SPP Shares and SPP Options does not fall within any of these exceptions and exceeds the 15% limit in Listing Rule 7.1. It therefore requires the approval of the Company's Shareholders under Listing Rule 7.1.

This Resolution seeks the required Shareholder approval to the issue of the SPP Shares and SPP Options under and for the purposes of Listing Rule 7.1.

If this Resolution is passed, the Company will be able to proceed with the issue and undertake the SPP to its Shareholders and to issue Shortfall Securities to unrelated parties. In addition, the issue will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If this Resolution is not passed, the Company will not be able to proceed with the issue and will not undertake the SPP.

### 3.2 Listing Rule 7.3

For Shareholders to approve the issue of the SPP Shares and SPP Options under and for the purposes of Listing Rule 7.1, the following information is provided to Shareholders in accordance with Listing Rule 7.3:

- (a) The SPP Shares and the SPP Options the subject of this Resolution will be issued to Eligible Shareholders who successfully apply under the SPP Offer or, in relation to the Shortfall Offer, to unrelated parties that are either Eligible Shareholders or sophisticated and professional investors.
- (b) The maximum number of securities to issue is 249,727,711 SPP Shares and 124,863,856 SPP Options.
- (c) The SPP Shares will be fully paid ordinary shares in the Company and rank equally with the Company's current issued Shares. The SPP Options have an exercise price of 6 cents and an expiry date of 31 July 2022. The full terms of the SPP Options are set out in Schedule 1.
- (d) The SPP Shares and SPP Options will be issued no later than 3 months after the date of the Meeting (or a later date to the extent permitted by any ASX waiver or modification of the Listing Rules).
- (e) The SPP Shares will be issued at an issue price of 3.3 cents each and the SPP Options will be issued for free as attaching Options.
- (f) The purposes of the issue of the SPP Shares and SPP Options is to conduct the SPP and enable Shareholder participation in a fundraising. The intended use of funds of the SPP is to complete the prefeasibility study on Speewah Specialty Metals Project, undertake a definitive feasibility study on the Speewah Specialty Metals Project, undertake exploration and drilling programme at Mt Remarkable Project and the Tennant Creek Project, repay a loan, and to provide general working capital.
- (g) The SPP Shares and SPP Options are not being issued under an agreement.

## GLOSSARY

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In the Notice and this Explanatory Statement the following expressions have the following meanings:

<b>ASIC</b>	the Australian Securities and Investments Commission.
<b>ASX</b>	ASX Limited (ACN 008 624 691).
<b>ASX Listing Rules or Listing Rules</b>	the listing rules of the ASX.
<b>Board</b>	the Board of Directors of the Company.
<b>Chair or Chairman</b>	the person appointed to chair the Meeting convened by this Notice.
<b>Company or KRR</b>	King River Resources Limited (ACN 100 714 181).
<b>Corporations Act</b>	the Corporations Act 2001 (Cth).
<b>Directors</b>	Directors of the Company from time to time.
<b>Eligible Shareholder</b>	a Shareholder as at the record date of 5:00am (WST) on 22 June 2020 whose address on the register is in Australia or New Zealand.
<b>Explanatory Statement</b>	this Explanatory Statement.
<b>Meeting or General Meeting</b>	the meeting convened by this Notice.
<b>Notice</b>	notice of meeting that accompanies this Explanatory Statement.
<b>Option</b>	an option to acquire a Share.
<b>Resolution</b>	a resolution referred to in the Notice.
<b>Share</b>	a fully paid ordinary share in the capital of the Company.
<b>Shareholder</b>	a registered holder of Shares in the Company.
<b>SPP</b>	the Company's security purchase plan for the SPP Offer and Shortfall Offer.
<b>SPP Offer</b>	the offer to be made by the Company to the Eligible Shareholders of up to 249,727,711 Shares at 3.3 cents per Share and up to 124,863,856 Options on the basis of 1 Option for every 2 Shares subscribed for.
<b>SPP Options</b>	Options issued pursuant to the SPP Offer or the Shortfall Offer, which Options are on the terms set out in Schedule 1.
<b>SPP Shares</b>	Shares issued pursuant to the SPP Offer or the Shortfall Offer.
<b>Shortfall Offer</b>	the offer by the Company of the Shortfall Securities.
<b>Shortfall Securities</b>	any Shares and Options not taken up under the SPP Offer.
<b>WST</b>	Western Standard Time, Perth, Western Australia.
<b>\$</b>	Australian dollars unless otherwise stated.

## **SCHEDULE 1**

### **Terms of SPP Options (Resolution 1)**

The terms of the issue of each of the SPP Options are:

1. Each Option entitles the holder to one Share in the capital of the Company.
2. The Options may be exercised at any time prior to 5:00pm WST on 31 July 2022.
3. The exercise price of the Options is 6 cents each.
4. Application will be made for the Options to be quoted on ASX and the Options will be freely tradeable under Australian law.
5. The Company will provide to each Option holder a notice that is to be completed when exercising the Options (Notice of Exercise). Options may be exercised by the Option holder in whole or in part by completing the Notice of Exercise and forwarding the same to the Secretary of the Company to be received prior to the Expiry Date. The Notice of Exercise must, among other things, state the number of Options exercised, the consequent number of Shares to be allotted and the identity of the proposed allottee. The Notice of Exercise by an Option holder must be accompanied by payment in full for the relevant number of Shares being subscribed, being an amount of the exercise price per Share.
6. All Shares issued upon the exercise of the Options will rank equally in all respects with the Company's then issued Shares. The Company will apply to the ASX in accordance with the Listing Rules for all Shares pursuant to the exercise of Options to be admitted to quotation.
7. There are no participating rights or entitlements inherent in the Options and the holders will not be entitled to participate in new issues or pro-rata issues of capital to Shareholders during the term of the Options. Thereby, the Option holder has no rights to a change in the exercise price of the Option or a change to the number of underlying securities over which the Option can be exercised (except for a bonus issue). The Company will ensure, for the purposes of determining entitlements to any issue, that Option holder will be notified of a proposed issue after the issue is announced. This will give Option holders the opportunity to exercise their Options prior to the date for determining entitlements to participate in such issues.
8. If there is a bonus issue (Bonus Issue) to Shareholders, the number of Shares over which an Option is exercisable will be increased by the number of Shares which the holder would have received if the Option had been exercised before the record date for the Bonus Issue (Bonus Shares). The Bonus Shares must be paid up by the Company out of profits or reserves (as the case may be) in the same manner as was applied in the Bonus Issue, and upon issue will rank equally in all respects with the other Shares on issue as at the date of issue of the Bonus Shares.
9. In the event of any reconstruction (including consolidation, subdivision, reduction or return) of the issued capital of the Company, all rights of the Option holder shall be reconstructed (as appropriate) in accordance with the Listing Rules.