

8 April 2022

Damian Dinelli
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Level 40, Central Park
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By email: ListingsCompliancePerth@asx.com.au

Dear Damian

We refer to your letter, King River Resources Limited ('KRR'): General – Aware Query, dated 6 April 2022, and advise in relation to your questions as follows.

1. KRR does not consider the Information to be information that a reasonable person would expect to have a material effect on the price or value of its securities. The ASX announcement dated 4 April 2022 was inadvertently marked as 'market sensitive' when uploaded to the ASX platform and released. There is no new material information included in the announcement that would require the announcement to be considered as market sensitive and it should not have been marked as market sensitive.
2. KRR has been working on its Speewah Vanadium Project for a number of years and the recent announcement is a continuation of that work, the focus of past work has been on vanadium and associated metals and the recent announcement is only on a new approach to that work being looked at.
 - 2.1 The revised focus is only on a new approach to the vanadium work that has been historically undertaken, please refer to Appendix 1 "Background on the Vanadium-Titanium-Iron SSMP" section included in the announcement that provides an outline of the historical work and announcements made in relation to the Speewah Vanadium Project an, a copy of the section is attached to this letter.

KRR also released an ASX announcement titled HPA Project December Update on 4 January 2022 which included the decision to change focus on the vanadium and any metallic iron by-products in the Speewah Vanadium Project. Please refer to the following extract:

VANADIUM UPDATE

KRR has engaged the Hydrometallurgy Research Group at Murdoch University led by Professor Aleks Nikoloski to develop and optimise processing option(s) for the extraction and recovery of vanadium, titanium, iron products from magnetite-ilmenite concentrates from our Speewah vanadium project. The research activities will initially focus on understanding the feed properties and developing suitable salt roasting process(es) for the extraction of vanadium. Subsequent testwork will optimise the selected roasting processes for the simultaneous extraction of vanadium, the recovery of by-products, including TiO₂ for pigment production and direct reduced metallic iron, and the development of a preliminary flow sheet and key process parameters for scale up and further detailed engineering processing plant design.

- 2.2 To clarify KRR had provided a 50kg concentrate sample (referred to as Sample 1) to Murdoch University which has come from a 6 tonne rock sample previously processed in 2011. Murdoch University has undertaken some work and are providing ongoing reports, KRR reviews the reports when received and announces any information that is relevant. In the recent Murdoch University report received 11 March 2022, there was no material information in the report. The most recent announcement is as a result of feedback from shareholders that the KRR price was attracting interest based on some positive activity in other vanadium stocks. The announcement was issued to update KRR shareholders on the status of KRR studies and there was no new or material information in the report. The announcement was compiled and released as soon as practicable, taking into consideration the updates required in the JORC schedules.
- 2.3 KRR announced on 4 January 2022 that it had engaged Murdoch University to develop and optimise processing option(s) for the extraction and recovery of vanadium, titanium, iron products from magnetite-ilmenite concentrates from our Speewah vanadium project.
3. Not applicable as there is no price sensitive information that has not been announced to the market previously.
4. KRR confirms it is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.
5. KRR confirms that this response has been made by an officer with delegated authority from the Board to respond to the ASX on disclosure matters.

Yours sincerely



Greg MacMillan
Director, Company Secretary

Appendix 1

Background on the Vanadium-Titanium-Iron SSMP

KRR's Vanadium and Titanium Speewah Specialty Metals Project ("SSMP") is based on its 100% owned vanadium deposit located at Speewah in the Kimberley of Western Australia. The deposit comprises a Measured, Indicated and Inferred Mineral Resource of 4,712 million tonnes at 0.3% V₂O₅, 3.3% TiO₂ and 14.7% Fe (reported at a 0.23% V₂O₅ cut-off grade from the Central, Buckman and Red Hill deposits, Figure 2) (refer KRR ASX announcements 26 May 2017 and amendments 1 April 2019 and 6 November 2019 for the full resource statement details). Speewah is Australia's largest vanadium-in-magnetite deposit based on tonnes and V₂O₅ content (Figures 1 and 5, KRR ASX release 27 February 2018). KRR envisages an open cut mining operation on the Central Vanadium deposit which outcrops, is fresh rock from near the surface, has shallow dipping geometry with a low strip ratio of 0.4 (Figure 4 and refer KRR ASX announcement 20 June 2018). KRR's plan is to develop an integrated process flow sheet involving beneficiation and extraction that processes high grade vanadium concentrate from the Central Vanadium deposit, produced by crushing, grinding and magnetic separation (refer KRR ASX announcements 1 April 2010, 15 July 2010, 9 November 2010, 8 February 2012 and 21 April 2017). The beneficiation process results in concentrate grades of 2.15-2.64% V₂O₅, which is higher than other Australian vanadium deposits (Figure 5, KRR ASX release 27 February 2018). It was developed by fine grinding of RC chips from the basal high grade zone of the Central vanadium deposit. Further magnetic separation test work is planned to produce a concentrate grading ~2.4% V₂O₅ with lower levels of SiO₂, CaO and Al₂O₃, optimised for processing by roasting. This test work will use PQ drill core (available in storage) from metallurgical holes SDH11-06, SDH11-09 and SDH11-12 from the Central deposit (Figures 2 and 3 and Table 2).

Previous vanadium-titanium-iron extraction test work undertaken by KRR in 2018-2021, on various lower grade concentrates and lump material from Speewah, using hydrochloric acid and sulphuric acid leaching followed by chemical precipitation and solvent extraction showed the potential to produce high purity V₂O₅, TiO₂ and iron oxide (Fe₂O₃) products (refer KRR ASX releases 27 February 2018, 25 June 2018, 23 July 2018, 7 June 2019 and 23 July 2021). In 2011 and 2019, KRR completed initial process development work for a salt roast-water leach-precipitation process involving ammonium meta vanadate (AMV) using high V₂O₅ grade concentrates. The results showed further testwork is required to improve and optimise the recoveries and reagent consumption, and to produce high purity ~99.5% V₂O₅ products. The new R&D programme at Murdoch University will focus on the pyrometallurgical approach to support and extend these earlier roasting results with the objective of developing an optimised process flow sheet to produce V, Ti and Fe products from the ore.

KRR has also joined the Future Battery Industries Cooperative Research Centre (FBI-CRC) by providing financial support to two projects, including the development and application of Vanadium Redox Flow Batteries (VRFB) (KRR ASX announcement 6 October 2021). For further information on the FBI-CRC visit: <https://fbicrc.com.au/>.



6 April 2022

Reference: 50274

Mr Greg MacMillan
Director and Company Secretary
King River Resources Limited

By email

Dear Mr MacMillan

King River Resources Limited ('KRR'): General – Aware Query

ASX refers to the following:

- A. The change in the price of KRR's securities from a low of \$0.023 on 1 April 2022 to an intraday high of \$0.033 on 4 April 2022 and the significant increase in the volume of KRR's securities traded from 31 March 2022 to 4 April 2022.
- B. The ASX Price and Volume Query letter dated 4 April 2022 issued in light of the above changes in the price and volume traded of KRR's securities (the 'Query Letter').
- C. KRR's request for a trading halt pending KRR's response to the Query Letter and announcement on the status of new research work for the Speewah Vanadium Project (the 'Project') lodged on the ASX Market Announcements Platform ('MAP') and released on 4 April 2022 at 11:34 AM (AWST).
- D. KRR's announcement entitled "Speewah Project – New Vanadium Focus" lodged on MAP marked as 'market sensitive' and released on 5 April 2022 at 8:08 AM (AWST) (the 'Announcement'), which stated the following amongst other things:
 - (a) KRR has already commenced test work and studies to develop a new process flow sheet to produce high purity vanadium pentoxide, vanadium electrolyte, titanium dioxide and metallic iron at the Project;
 - (b) The KRR board has decided to expand its focus to include vanadium and intends to conduct a programme focused on producing vanadium suitable for use in the manufacture of vanadium redox flow batteries, master alloys and titanium oxide pigments;
 - (c) KRR engaged Murdoch University's Hydrometallurgy Research Group to develop a roast process for multi-commodity production from the Project, which research was premised on magnetic separation analysis of a 6 tonne reverse circulation chip sample obtained by KRR in 2011 from the Project. The Announcement reported the following, which appear to be new results generated from the research group's test work (which were also corroborated by the JORC Table 1 in Appendix 1):

Table 1: Sample 1 - Grades of the sample as metals and equivalent assumed oxides

Metals	Grade	Oxides	Grade
Fe	53.72%	Fe ₃ O ₄	74.23%
Ti	9.17%	TiO ₂	15.30%
V	1.37%	V ₂ O ₅	2.01%
Si	1.92%	SiO ₂	4.11%
Al	1.00%	Al ₂ O ₃	1.88%
Mn	0.325%	MnO	0.420%
Ca	0.965%	CaO	1.350%
P	0.003%	P ₂ O ₅	0.007%
Mg	0.315%	MgO	0.522%
K	0.027%	K ₂ O	0.033%
Na	0.063%	Na ₂ O	0.084%
		Total	99.96%

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- (d) The above results will be followed by further testing intended to determine KRR's ability to produce vanadium pentoxide as a primary product and metallic iron as a by-product; and
- (e) KRR has planned and costed a programme for that extraction of metallic iron and intends to investigate a separate agreement involving the Future Battery Industries Cooperative Research Centre in respect of vanadium electrolyte production.
- (the 'Information').
- E. KRR's response to the Query Letter lodged to MAP and released on 5 April 2022 at 8:12 AM (AWST), which stated the following amongst other things:
- (a) KRR was not aware of any information not yet announced, if known by some, that could explain the recent change in the price and trading volumes of KRR's securities;
- (b) KRR had to hand, at the time of this response, no price sensitive information that was yet to be announced to the market; and
- (c) The Project and KRR's High Purity Alumina Project are both involved in the growing interest in battery metals and master alloy compounds of the green economy and transition to renewable energy.
- (the 'Response').
- F. Listing Rule 3.1, which requires a listed entity to immediately give ASX any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities.
- G. The definition of "aware" in Chapter 19 of the Listing Rules, which states that:
- "an entity becomes aware of information if, and as soon as, an officer of the entity (or, in the case of a trust, an officer of the responsible entity) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as an officer of that entity" and section 4.4 in Guidance Note 8 Continuous Disclosure: Listing Rules 3.1 – 3.1B "When does an entity become aware of information."*
- H. Listing Rule 3.1A, which sets out exceptions from the requirement to make immediate disclosure, provided that each of the following are satisfied.
- "3.1A Listing rule 3.1 does not apply to particular information while each of the following is satisfied in relation to the information:*
- 3.1A.1 One or more of the following applies:*
- *It would be a breach of a law to disclose the information;*
 - *The information concerns an incomplete proposal or negotiation;*
 - *The information comprises matters of supposition or is insufficiently definite to warrant disclosure;*
 - *The information is generated for the internal management purposes of the entity; or*
 - *The information is a trade secret; and*
- 3.1A.2 The information is confidential and ASX has not formed the view that the information has ceased to be confidential; and*
- 3.1A.3 A reasonable person would not expect the information to be disclosed."*
- I. ASX's policy position on the concept of "confidentiality", which is detailed in section 5.8 of Guidance Note 8 Continuous Disclosure: Listing Rules 3.1 – 3.1B. In particular, the Guidance Note states that:

“Whether information has the quality of being confidential is a question of fact, not one of the intention or desire of the listed entity. Accordingly, even though an entity may consider information to be confidential and its disclosure to be a breach of confidence, if it is in fact disclosed by those who know it, then it ceases to be confidential information for the purposes of this rule.”

Request for information

Having regard to the above, ASX asks KRR to respond separately to each of the following questions and requests for information:

1. Does KRR consider the Information to be information that a reasonable person would expect to have a material effect on the price or value of its securities.
 - 1.1 If the answer to question 1 is “no”, please advise the basis for that view and accordingly why the Announcement was marked ‘market sensitive’.
 - 1.2 If the answer to question 1 is “yes”, please advise why the Response stated that there was no price sensitive information not yet announced by KRR to the market prior to the Announcement.
2. In circumstances where:
 - 2.1 the Information provided that the KRR board had already decided to proceed with a revised focus on vanadium production and determined programmes and targeted end-products for the vanadium resource;
 - 2.2 the Information provided that KRR had already provided the Murdoch University’s Hydrometallurgy Research Group with a 6 tonne reverse circulation chip sample obtained by KRR in 2011 from the Project, and that same research group appears to have already conducted part of its metallurgical test work and delivered the results to KRR for publication; and
 - 2.3 the Information includes a statement that the KRR board had already planned and costed a development programme for the production of the metallic iron by-product,when did KRR first become aware of the Information, and in particular the decision to change KRR’s focus to the production of vanadium and any metallic iron by-products at the Project?
3. If the answer to question 1 is “yes” and KRR first became aware of the Information before 4 April 2022, did KRR make any announcement prior to 4 April 2022 which disclosed the information or any part thereof? If so, please provide details. If not, please explain why the Information was not released to the market at an earlier time, commenting specifically on when you believe KRR was obliged to release the Information under Listing Rules 3.1 and 3.1A and what steps KRR took to ensure that the Information was released promptly and without delay.
4. Please confirm that KRR is complying with the Listing Rules and, in particular, Listing Rule 3.1.
5. Please confirm that KRR’s responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of KRR with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **3:00 PM AWST Monday, 11 April 2022**. You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, KRR’s obligation is to disclose the information ‘immediately’. This may require the information to be disclosed before the deadline set out in the previous paragraph and may require KRR to request a trading halt immediately.

Your response should be sent to me by e-mail at ListingsCompliancePerth@asx.com.au. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Trading halt

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in KRR's securities under Listing Rule 17.1. If you wish a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

Suspension

If you are unable to respond to this letter by the time specified above, ASX will likely suspend trading in KRR's securities under Listing Rule 17.3.

Listing Rules 3.1 and 3.1A

In responding to this letter, you should have regard to KRR's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure*: Listing Rules 3.1 – 3.1B. It should be noted that KRR's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Release of correspondence between ASX and entity

We reserve the right to release a copy of this letter, your reply and any other related correspondence between us to the market under listing rule 18.7A.

Questions

If you have any questions in relation to the above, please do not hesitate to contact me.

Yours sincerely

Damian Dinelli
Adviser, Listings Compliance (Perth)