

Australian Securities Exchange Announcement

20 February 2023

Binding Term Sheet for sale of 100% of the Speewah Vanadium-Titanium-Iron Project

The Board of King River Resources Ltd (ASX: KRR) ("KRR" or "Company") is pleased to announce that it has signed a binding term sheet ("Binding Term Sheet") with ASX listed resources company Tivan Limited (ASX: TVN) ("Tivan") by which Tivan will acquire 100% of the issued capital of Speewah Mining Pty Ltd ("SMPL"), the owner of the Speewah Vanadium-Titanium-Iron Project ("Speewah Project") in the East Kimberley region of North Western Australia.

The Speewah Project consists of tenements identified as exploration licences E80/2863, E80/3657, miscellaneous licences L80/43 and L80/47 and mining licences M80/267, M80/268 and M80/269.

The Board previously advised shareholders that it was investigating a potential sale, or joint venture, with a number of parties for the Speewah Project and now believe an outright sale to Tivan to be in the best interests of KRR.

Under the Binding Term Sheet, total consideration for the acquisition is A\$20 million, comprising the issue of 100 million Tivan shares at a deemed issue price of A\$0.10 per share, and A\$10 million in cash to be paid by way of three staged payments over 12 months. An initial A\$2.5 million payment will be made on completion. Transaction completion is subject to conditions precedent including shareholder approval by KRR under Listing Rule 11.2. Listing Rule 11.2 provides that where a company proposes to make a significant change in the nature or scale of its activities which involves the disposal of its main undertaking, it must first obtain the prior approval of its shareholders. ASX has determined that the Speewah Project is the main undertaking of KRR (please refer to the ASX Listing Rules information below).

The Company intends to use the funds raised by the transaction (A\$10.0 million) broadly as follows over the next 2 years. Acknowledging that intervening events and new circumstances (including exploration success) have the potential to affect the way that funds will be used.

<u>Use of Funds</u>	
Gold and Copper exploration 2023	A\$
- Tennant Creek	\$3,750,000
- Mt Remarkable	\$500,000
Corporate and Administrative 2023	\$300,000
Gold and Copper exploration 2024	
- Tennant Creek	\$3,750,000
- Mt Remarkable	\$600,000
Corporate and Administrative 2024	\$350,000
Working capital	\$750,000
Total	\$10,000,000

Tennant Creek

The Tennant Creek Project is located to the East, Southeast and South of the very rich historic goldfields of Tennant Creek comprising gold and copper exploration leases. The Tennant Creek tenements are held by KRR 100% subsidiary Treasure Creek Pty Ltd and there are 16 tenements covering 6,629 square kms and is very prospective for gold and copper.

Mt Remarkable

The Mt Remarkable Project is located 200km south west of Kununurra in the East Kimberley, Western Australia. The Mt Remarkable tenements are held by KRR 100% subsidiary Whitewater Minerals Pty Ltd and cover the prospective Whitewater Volcanic rocks that extend 200km along a NE-SW strike south of the Speewah Dome. Mt Remarkable covers 4 tenements totalling 382 square kms and is prospective for gold and copper.

Binding Term Sheet

KRR and Tivan have executed a Binding Term Sheet for the acquisition of the Speewah Project, with key terms summarised as follows:

- Tivan will acquire, and KRR will sell, of all of the unencumbered legal and beneficial interest in the issued capital of Speewah Mining Pty Ltd (SMPL) (the "Transaction").
- SPML is the legal and beneficial owner of the Speewah Project tenements in Western Australia (E80/2863-I, E80/3657-I, L80/43, L80/47, M80/267, M80/268, M80/269) and associated project assets including mining information (previous studies and testwork completed) and all related intellectual property.
- Tivan will acquire SPML for total consideration of A\$20 million paid on the following terms:
 - A\$2.5 million to be held in escrow as a refundable deposit pending Transaction completion;
 - A\$2.5 million on Tivan completing a raising of no less than A\$2.5 million;
 - A\$5 million to be paid 12 months after execution of the Agreement, or, if the payment of A\$2.5m above has not been made at that time, A\$7.5 million must be paid 12 months after execution of the Agreement; and
 - A\$10 million through the issue of 100 million ordinary fully paid shares in Tivan to KRR at a deemed issue price of 10 cents per share; these shares will be subject to a voluntary escrow for a two year period from the date of the agreement.
- The final A\$5 million cash payment will only be paid if an application to extend the term of E80/3657 is granted within 12 months.
- Completion of the Transaction is subject to conditions precedent being satisfied or waived, which will include:
 - completion of an independent geological assessment to validate the reported resources of Speewah by 27 February 2023; and
 - shareholders of KRR approving the transaction under Listing Rule 11.2 by 31 March 2023 or such other date as may be agreed between the parties.

The deferred consideration of A\$7.5 million will be secured by a general security deed.

KRR as the seller of the shares in SMPL makes a number of warranties as to the share capital of SMPL and the underlying tenements including to the effect that the shares are sold free of encumbrances and the tenements constituting the Speewah Project are free of encumbrances and in good standing.

ASX Listing Rules

A disposal by a listed entity of its main undertaking can raise issues under ASX Listing Rule 12.1 and 12.2, which oblige a listed entity to satisfy ASX on an ongoing basis that the level of its operations is sufficient, and its financial condition adequate, to warrant its continued quotation of its securities.

ASX have advised that KRR will be afforded a period of 6 months from the date of the announcement of the disposal of its Speewah Project to demonstrate to the ASX that it is compliant with Listing Rule 12.1. ASX also advises that if KRR does not demonstrate compliance with this Rule to ASX's satisfaction by the 6-month anniversary, ASX will suspend trading in KRR's securities. The Company, however, retains its interest in the Mt Remarkable and Tennant Creek Projects and will continue to focus on these gold and copper projects.

The consequences of a disposal of the main undertaking are that any transaction KRR proposes to enter into may, if required by ASX, attract the application of Listing Rule 11.1.3 and as a result the Company may, if required by ASX, be required to re-comply with Chapters 1 and 2 of the Listing Rules.

Please refer to ASX Guidance Note 12: Significant Change to Activities which provides further information on significant changes to activities and how the Listing Rules apply to those changes.

This announcement was authorised by the Chairman of the Company.

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