

Australian Securities Exchange Announcement

26 April 2018

SUMMARY

- ❖ Positive results to the Vanadium Concept Study:
 - New magnetite-ilmenite concentrate assayed **2.11% V₂O₅, 16.23% TiO₂ and 66.27% Fe₂O₃**, with increased mass and metal recoveries at coarser grain size and rejection of more waste.
 - Hydrochloric acid leach of the concentrate recovered up to **98.9% V, 98.0% Fe and 97.7% Ti**.
 - Thermal Hydrolysis generated a high purity titanium dioxide product that assayed **99.5% TiO₂**.
 - Chemical precipitation of a high grade vanadium pentoxide product assaying **99.48% V₂O₅**.
- ❖ Windsor fluorite resource reported under JORC 2012 as **6.7Mt at 24.4% CaF₂** (at 10% CaF₂ cut-off).
- ❖ Eight new exploration licence applications applied for along the Mt Remarkable gold trend.

During the March quarter 2018 King River Copper Ltd (ASX:KRC) reported on the Speewah Vanadium Concept Study including metallurgical testwork programmes, the Windsor fluorite resource conversion, and new tenement applications at the Mt Remarkable Gold project, both located in the East Kimberley of Western Australia and 100% owned by KRC (Figure 1).

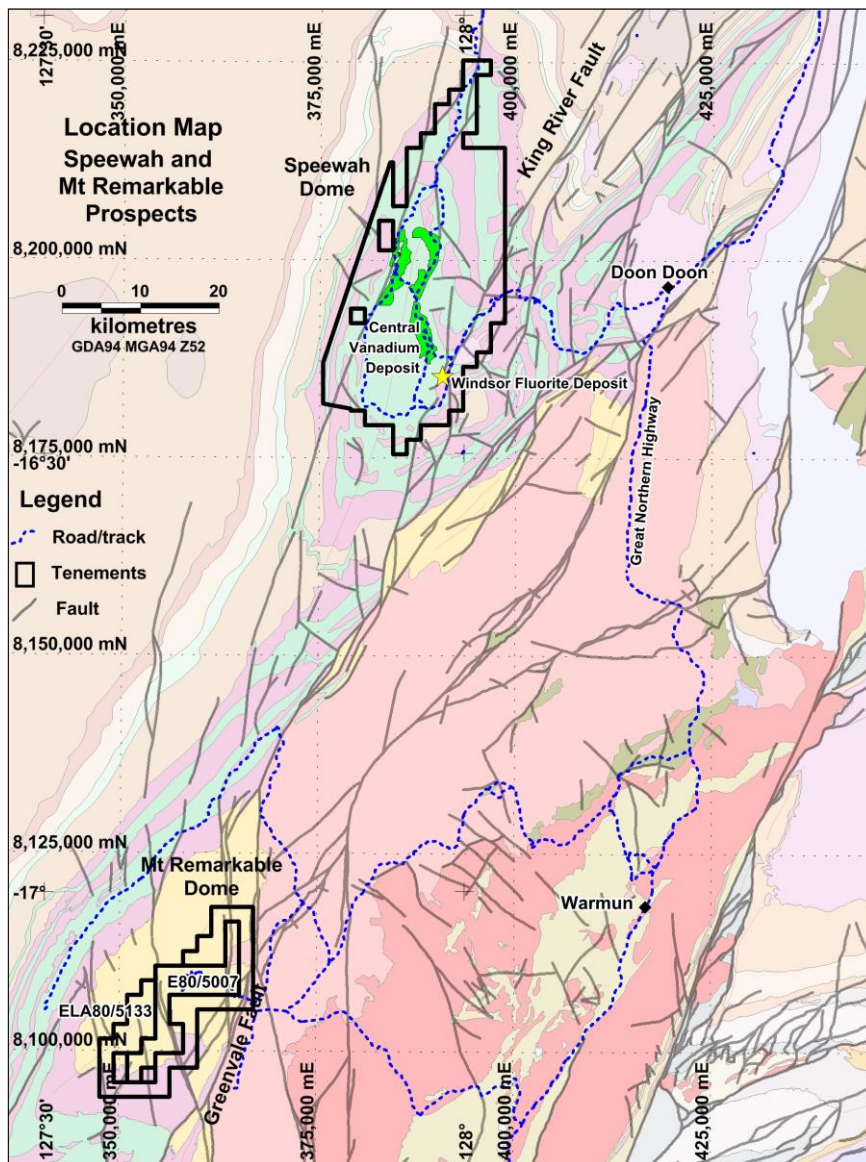
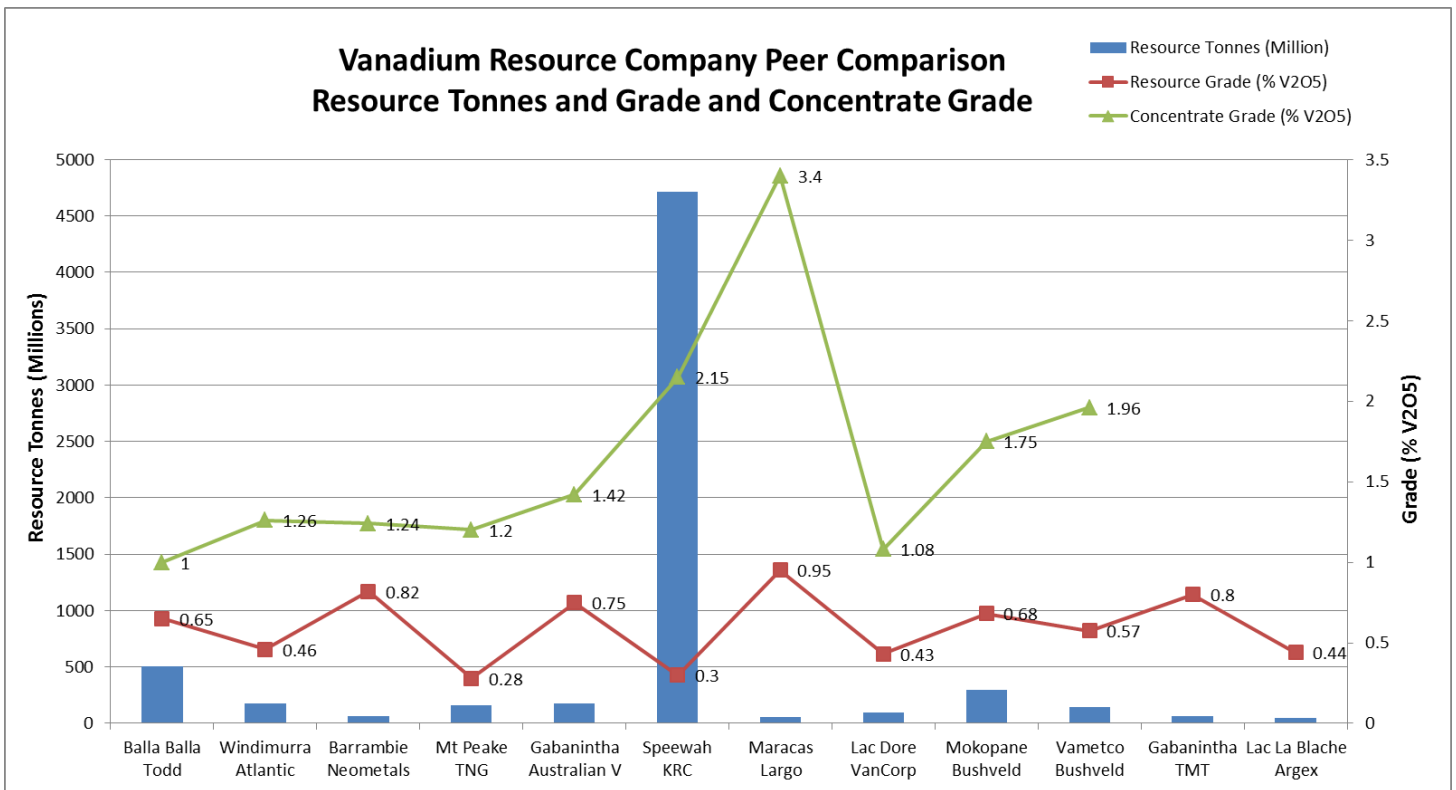


Figure 1: Location of the Mt Remarkable and Speewah projects on a regional geological map

Vanadium Concept Study

KRC is undertaking a Vanadium Concept Study into the production of high purity Vanadium Pentoxide (99.5-99.9% V_2O_5), Titanium Dioxide (>99% TiO_2) and Iron Oxide (Fe_2O_3) products from the large Central vanadium deposit at Speewah (KRC ASX: 21 April 2017). The major objective of the Concept Study is to identify a base framework for a new Scoping Study into the production of these high purity products suitable for manufacture of vanadium electrolyte used in vanadium flow batteries (VFB) and titanium products used in master alloys of Al-V-Ti.

KRC's Vanadium Project is the largest vanadium-in-magnetite deposit in Australia with the highest vanadium grade in the magnetite concentrate (see peer comparison graph below, KRC ASX announcement 27 February 2018).



Source: Company websites, ASX announcements, Technical Reports and Studies, and metallurgical updates. Tonnes and grade based on reported total resources. Concentrate grade commonly from beneficiation of High Grade zone material.

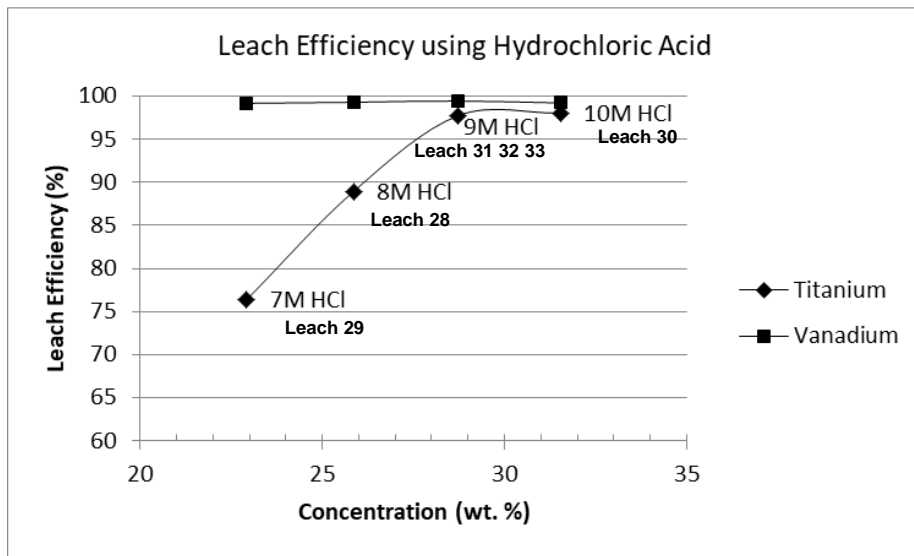
KRC's vanadium deposit comprises a Measured, Indicated and Inferred Mineral Resource of 4,712 million tonnes at 0.3% V_2O_5 , 2% Ti and 14.7% Fe (reported at a 0.23% V_2O_5 cut-off grade from the Central, Buckman and Red Hill deposits) (refer KRC ASX announcement 26 May 2017 for the full resource statement details).

KRC envisages an open cut mining operation based on the high grade zone of the Central Vanadium deposit which outcrops and has shallow dipping geometry (refer KRC ASX announcement 10 May 2011 for a preliminary pit modelling study). Initially a magnetite concentrate grading >2.1% vanadium pentoxide (V_2O_5) is produced by crushing, grinding and magnetic separation methods. The vanadium and titanium enriched concentrate is then leached in hydrochloric acid to release the V and Ti metals into solution for separation by hydrothermal and chemical precipitation methods followed by purification steps to produce vanadium pentoxide (V_2O_5), titanium dioxide (TiO_2) and iron oxide (hematite) products.

During the quarter further hydrometallurgical testwork was undertaken by TSW Analytical on a magnetite-ilmenite concentrate previously produced by Nagrom (KRC ASX announcement 21 August 2017). In addition, Nagrom produced a new magnetite-ilmenite concentrate from drill core.

Acid Microleach Testwork

The high grade Vanadium and Titanium bearing magnetite-ilmenite concentrate (2.15% V₂O₅) has been leached with hydrochloric acid (HCl) under different acid concentration, pulp density, temperature and time conditions (KRC ASX announcements 21 August 2017, 9 October 2017, 27 February 2018). The concentrate added to a 9M (28.73%) HCl solution at 10% pulp density, heated to 90°C and agitated for 4 hours, gives optimum Vanadium and Titanium leach efficiencies as shown below.



High Purity Titanium Dioxide

Further refinement of the hydrothermal precipitation process has produced a high purity titanium dioxide product from the acid leachate that assayed 99.5% TiO₂ (KRC ASX announcement 30 January 2018).



**High Purity
Titanium Dioxide
99.5% TiO₂**

Further testwork is underway to optimise the recoveries and increase the titanium dioxide purity to >99.5% TiO₂, and also determine the acid recovery from this stage of the process. . Research is also underway to produce titanium metal sponge.

High Grade Vanadium Pentoxide

Vanadium product generation testwork has trialled selective chemical precipitation methods using various precipitating agents and controlling acidity (pH), redox potential (Eh) and temperature using the Ti-depleted leachate. This process is different from other producers that use salt roast technology or solvent extraction methods.

Stage 1 precipitated Vanadium from the Ti-depleted liquor as a crude Vanadium-Iron compound with high Vanadium recovery of 96% (an increase from 78.5% in previous tests).

Stage 2 removed the Iron by dissolving the crude Vanadium-Iron precipitate in a caustic solution to precipitate a purified orange vanadium product relatively free from Iron.

Stage 3 purified the vanadium product using dilute HCl to remove contaminants and precipitated a brown high grade Vanadium Pentoxide product assaying 99.48% V_2O_5 , 0.29% Fe_2O_3 and 0.17% Na_2O (KRC ASX announcement 27 February 2018).



**High grade
Vanadium Pentoxide
99.48% V_2O_5**

Further testwork is planned to generate more product, improve recoveries and increase the purity to >99.5% V_2O_5 . KRC then plans to use this material for the manufacture of Vanadium Electrolytes.

Beneficiation Testwork by Nagrom

Nagrom completed new magnetic separation testwork on drill core and produced a magnetite-ilmenite concentrate that assayed **2.11% V_2O_5 , 16.23% TiO_2 and 66.27% Fe_2O_3** (KRC ASX announcement 21 March 2018). Mass yield increased to **16.58%** with improved V_2O_5 and TiO_2 recoveries at a coarser grain size that has rejected 67% of waste at 0.5mm with final concentrate grain size of P_{80} 120 micron. The magnetite gabbro core sample was from drillhole SDH08-06 42.66-59.45m downhole within the high grade zone of the Central Vanadium Deposit. The sample assayed 0.393% V_2O_5 , 3.561% TiO_2 and 21.225% Fe_2O_3 .

The magnetic separation process involved a three stage MIMS-cleaner MIMS-recleaner LIMS circuit, which has demonstrated that the high grade zone magnetite gabbro can be significantly upgraded by initially coarse grinding and magnetic separation methods to produce a magnetite-ilmenite concentrate at good grade and vanadium and titanium recoveries and reject about 67% of the waste minerals in the sample. The beneficiation circuit also increased V and particularly Ti recoveries. The 16.58% mass yield is higher than the 13% used in the Scoping Study of 2012 (KRC ASX announcement 23 April 2012). Significantly, all previous beneficiation testwork had been done at much finer grind sizes where all the rock was ground to 45 micron (0.045mm) before magnetic separation. This new staged beneficiation circuit at coarser grain sizes has the potential to reduce the cost of producing a magnetite-ilmenite concentrate at Speewah. The final concentrate grind size of P_{80} 120 microns compares very favourably with other Australian vanadium projects where grain sizes of P_{80} 75 and 106 microns are reported.

Windsor Fluorite Deposit

During the quarter, CSA Global Pty Ltd (CSA Global) completed an updated resource estimate reporting in accordance with the JORC Code (2012)¹ for its 100% owned Windsor Fluorite deposit within the Speewah Project (Figure 2). The Mineral Resource estimate was previously reported in accordance with the JORC Code (2004 Edition) in 2009 (refer KRC ASX announcement dated 25 August 2009).

The updated combined Indicated and Inferred Mineral Resource, reported at a 2% CaF₂ cut-off grade from the A, B, C and E fluorite veins at Windsor totals 27.2 million tonnes at 9.5% CaF₂. Within this Mineral Resource there is a high grade Indicated and Inferred Mineral Resource of 6.7 million tonnes at 24.6% CaF₂ at a 10% CaF₂ cut-off grade (KRC ASX announcement 23 February 2018).

The Mineral Resource estimate is shown in Table 1 reported above a cut-off grade of 2% CaF₂.

Table 1: Windsor deposit fluorite Mineral Resource estimate

Zone	JORC Classification	Tonnage (Mt)	CaF ₂ (%)
High Grade	Indicated	4.1	25.3
	Inferred	2.6	23.6
Total High Grade		6.7	24.6
Low Grade	Indicated	8.9	5.0
	Inferred	11.6	4.3
Total Low Grade		20.4	4.6
Combined	Indicated	13.0	11.4
	Inferred	14.2	7.8
Grand Total		27.2	9.5

* Due to the effects of rounding, the total may not represent the sum of all components

* CaF₂ calculated as $F \times 2.0547$

The deposit comprises four fluorite-quartz-barite veins (named A, B, C and E) along the King River Fault Zone (Figure 2), located on granted Mining Leases (M80/268 and 269).

The fluorite from the Windsor deposit is suitable for beneficiation by heavy media separation and flotation to acid grade fluorspar grading 98.6% CaF₂ (KRC ASX Presentation 13 June 2008). Acid grade fluorspar (acid spar >97% CaF₂) is a high value product sold as a concentrate and used to manufacture hydrofluoric acid, fluorocarbon chemicals, foam blowing agents, refrigerants, petroleum refining, and making aluminium fluoride (a flux for smelting alumina to aluminium metal). Acid grade fluorspar prices have increased recently to USD\$480-520 per tonne for 97% CaF₂, wet filtercake, FOB China (Industrial Minerals Magazine, 19 January 2018).

¹ Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. The JORC Code, 2012 Edition. Prepared by: The Joint Ore Reserves Committee of The Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia (JORC).

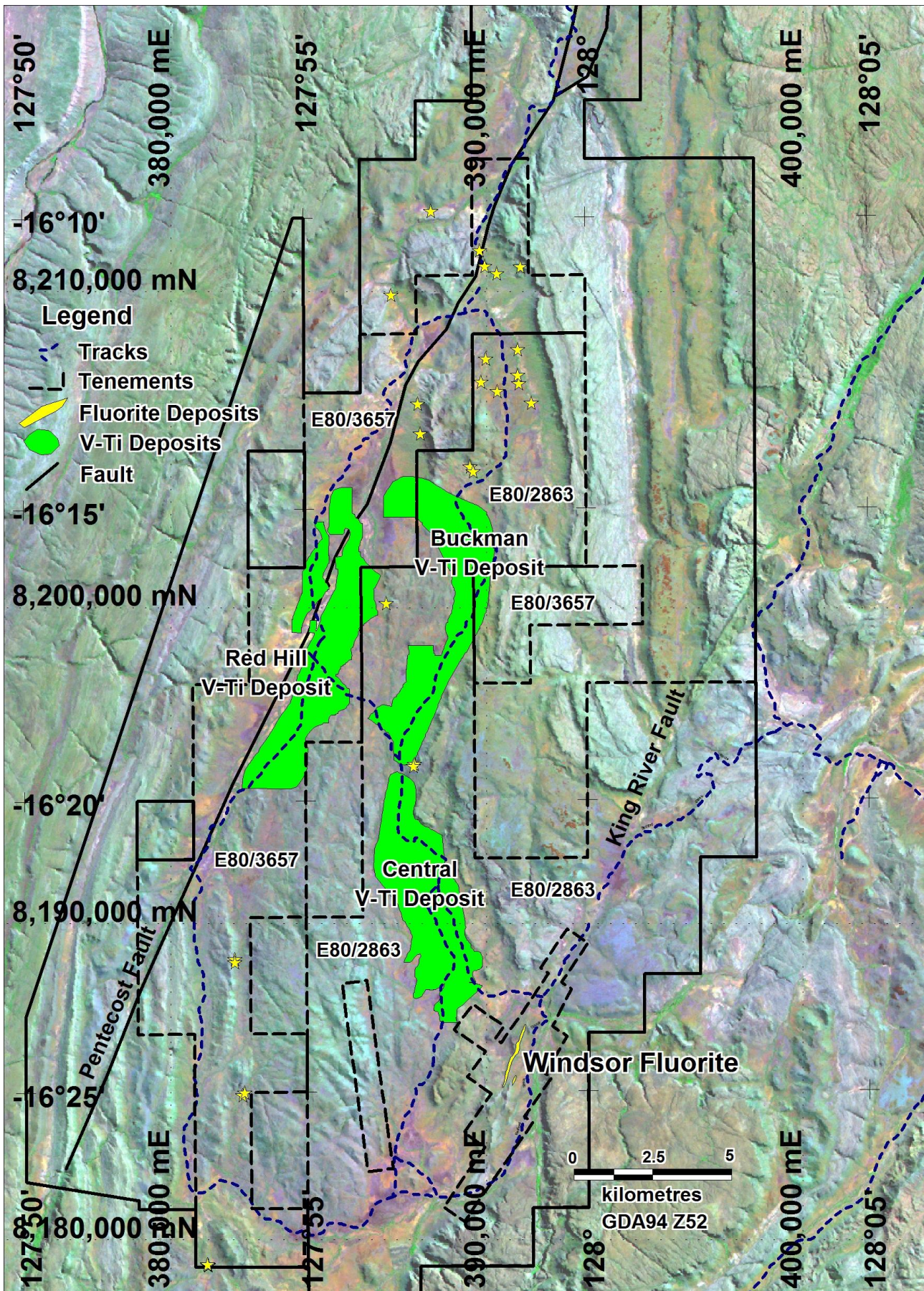


Figure 2: Location of the Windsor fluorite deposit (yellow), together with the vanadium-titanium-iron deposit outlines (green), copper-gold prospects (gold stars) and tenement outlines.

Mt Remarkable

KRC applied for 8 large exploration licences (measuring over 3,000 square kilometres) around the Mt Remarkable Gold Project located 80km SSW of Speewah in the East Kimberley (Figure 3 and Table 2) (KRC ASX announcements 19 March 2018 and 26 March 2018). The applications have been made by Speewah Mining Pty Ltd, a wholly owned subsidiary of KRC.

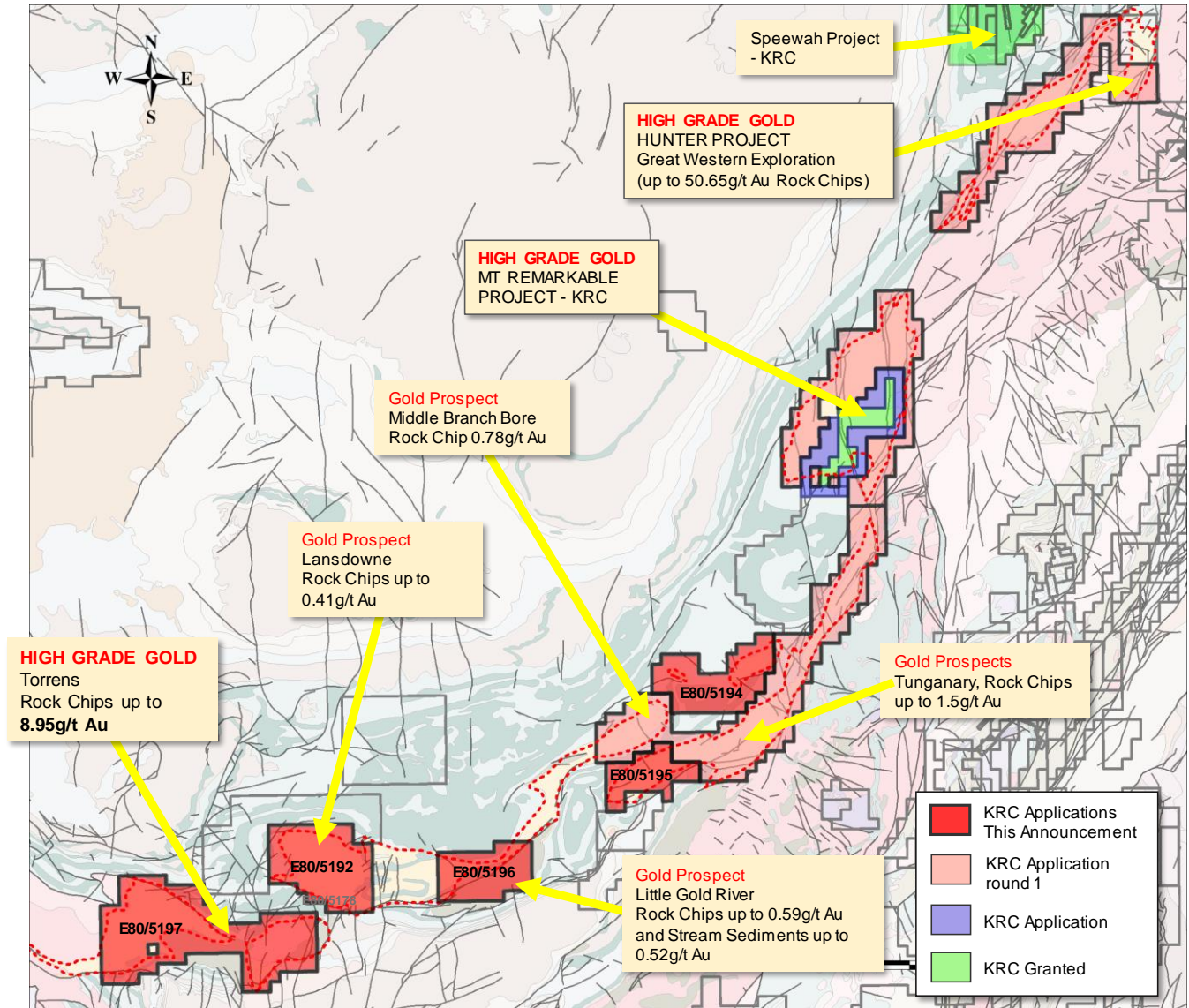


Figure 3: Map showing location of KRC's new Exploration Licence applications and relevant gold prospects.

Table 2: KRC Mt Remarkable New Exploration Licence Applications

Tenement ID	Status	Area	Holder name	Start Date	Number of Blocks	Area km ²
E 80/5007	Granted	Mt Remarkable	Speewah Mining Pty Ltd	12/10/2016	25	82.06
E 80/5133	Application	Mt Remarkable	Speewah Mining Pty Ltd	12/09/2017	46	150.97
E 80/5176	Application	Wilson River	Speewah Mining Pty Ltd	19/02/2018	141	462.94
E 80/5177	Application	Jail House Creek	Speewah Mining Pty Ltd	19/02/2018	138	454.24
E 80/5178	Application	Tunganary/ Middle Branch	Speewah Mining Pty Ltd	19/02/2018	199	651.69
E 80/5192	Application	Lansdowne	Speewah Mining Pty Ltd	20/03/2018	82	268.07
E 80/5193	Application	Torrens	Speewah Mining Pty Ltd	20/03/2018	163	532.52
E 80/5194	Application	Tunganary North	Speewah Mining Pty Ltd	20/03/2018	66	216.14
E 80/5195	Application	Tunganary South	Speewah Mining Pty Ltd	20/03/2018	38	124.33
E 80/5196	Application	Gold River	Speewah Mining Pty Ltd	20/03/2018	51	166.71
					Total Area:	3109.67

KRC considers the 8 new applications to be highly prospective for gold mineralisation similar to the high grade gold intersected on the granted Mt Remarkable tenement is 2017. In addition, the tenements nearby the Speewah Dome may be prospective for Fluorspar.

High grade gold mineralisation at the Mt Remarkable Project is hosted by the Whitewater Volcanics, a Proterozoic stratigraphic horizon that is older than the Speewah group. This horizon extends from the Hunter Project (held by Great Western Exploration), where historic high-grade gold values of up to 50.65g/t Au have been returned from epithermal quartz veins, through to King River's Mt Remarkable project (where highest grade of 90.7g/t Au was returned from RC drilling last year, KRC ASX announcements 29 October 2017, 10, 21 and 27 November 2017, and 20 December 2017). Past exploration between these two high grade projects has been sparse leaving excellent opportunity for additional high-grade discoveries within the Whitewater Volcanics. The Whitewater Volcanics horizon also continues to the south hosting both the Tunganary and Middle Branch Bore gold prospects within anticlinal fold structures.

Once the applications are granted the company intends to use the knowledge and experience gained from gold exploration at the Mt Remarkable and Speewah Projects, to identify and test multiple, new, high-grade gold targets whilst advancing its existing prospects at Mt Remarkable. Ongoing analysis of last years geophysics, drill results and samples continue to give insight into mineralisation controls – with petrological and spectral analysis of 2017 drill samples currently underway.

Drilling is planned to commence early May 2018 with an RC and diamond drill rig booked to test and extend the high grade mineralisation at the Trudi Vein, as well as to explore for new high grade mineralized zones within the granted licence E80/5007.

Corporate – Options exercise and Underwriting Funding

During the quarter KRC entered into irrevocable underwriting commitments with unrelated parties for the underwriting of the exercise of 60,000,000 of the 124,410,168 ASX listed June 30 2018 options that have an exercise price of 10 cents (refer KRC ASX announcement dated 23 March 2018).

To the extent that there is insufficient shortfall from the exercise of the options, then the underwriters will subscribe for shares at 10 cents per share by way of top-up to satisfy the underwriting commitment. Any top-up placement shares will be issued within our existing capacity under LR7.1

The Board of KRC believes that a significant volume of the options will be exercised, however the Board believes this underwriting provides a prudent level of certainty.

KRC will receive an injection of between \$6 million and \$18 million through the exercise and underwriting of the options.

Competent Persons Statement

The information in this report that relates to Exploration Results, Mineral Resources and Metallurgical Results is based on information compiled by Ken Rogers and Andrew Chapman and fairly represents this information. Mr. Rogers is the Chief Geologist and an employee of King River Copper Ltd and a Member of the Australian Institute of Geoscientists (AIG) and a Member of The Institute of Materials Minerals and Mining (IMMM), and a Chartered Engineer of the IMMM. Mr. Chapman is a Consulting Geologist contracted with the Company. 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 and Mr. Chapman consent to the inclusion in this report of the matters based on information in the form and context in which it appears.

TABLE 1: SCHEDULE OF TENEMENTS HELD AT 31 MARCH 2018
SPEEWAH MINING PTY LTD
(wholly-owned subsidiary of King River Copper Limited)

Tenement	Project	Ownership	Change During Quarter
E80/2863	Speewah	100%	
E80/3657		100%	
E80/4468		100%	
E80/4740		100%	
E80/4741		100%	
E80/4829		100%	
E80/4830		100%	
E80/4831		100%	
E80/4832		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	100%
ELA80/5133	100%		
ELA80/5176	100%		New application
ELA80/5177	100%		New application
ELA80/5178	100%		New application
ELA80/5192	100%		New application
ELA80/5193	100%		New application
ELA80/5194	100%		New application
ELA80/5195	100%		New application
ELA80/5196	100%	New application	

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 Copper 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%	

Note:

EL = Exploration Licence application