KING RIVER COPPER LIMITED

QUARTERLY ACTIVITIES REPORT 30 JUNE 2018

Australian Securities Exchange Announcement **26 July 2018**

SUMMARY OF HIGHLIGHTS

- The Concept Study on the Speewah Dome Vanadium, Titanium, Iron project progressed with
  - CSA Global designing an initial pit shell for a large scale mining operation
  - Primero designing a beneficiation process flow sheet for magnetite-ilmenite concentrates
  - TSW Analytical trialing numerous acid leach-precipitation methods to successfully produce high purity Vanadium Pentoxide and Titanium Dioxide products.
- Gold exploration recommenced at Mt Remarkable with high grade, shallow gold intersections including
  - 4m @ 113.29/t Au including 1m at 346g/t Au from KMRC0078
  - 3m @ 34.8g/t Au including 1m @ 50.5g/t Au from KMRC0077
  - 3m @ 41.75g/t Au including 1m @ 81.5g/t Au from 16m in KMRC0072
  - 3m @ 38.70g/t Au including 1m @ 55.80g/t Au from 22m in KMRC0073
  - 2m @ 66.50g/t Au including 1m @ 77.2g/t Au from 27m in KMRC0074
  - 4m @ 39.78g/t Au including 1m @ 82.7g/t Au from 31m in KMRC0075
  - 2m @ 27.28g/t Au including 1m @ 39.20g/t Au from 29m in KMRC0079
- Scoping work commenced on the Company's Fluorspar resources starting with a pit study.
- Tenements exceeding 1,450 km^2 were granted over the Tennant Creek application areas.
- The company secured additional funding of over $6,648,000 through the underwriting and exercise at 10 cents of June 2018 options.
- The Company announced the granting of bonus options (1 new July 2020 option for every 3 shares held) to shareholders.
- Tax credits of $306,021 were distributed to eligible shareholders under the Federal Governments Exploration Development Incentive scheme.
- The total number of King River Copper shareholders increased by 36% over the quarter to 5,022.

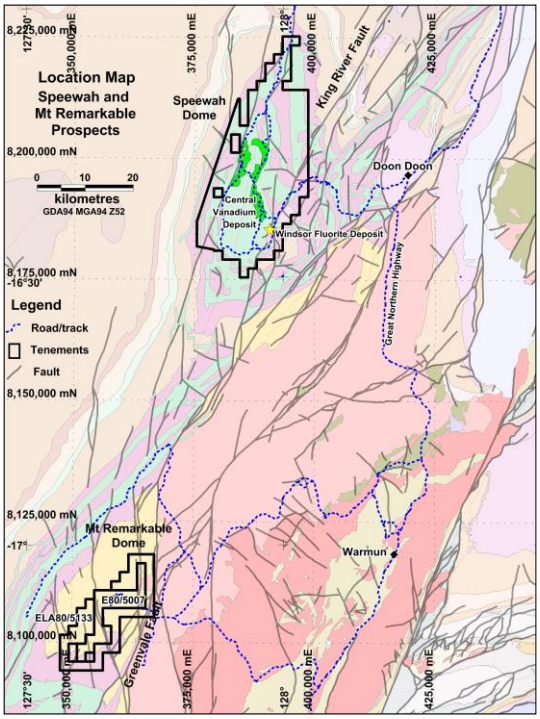


Figure 1: Location of the Mt Remarkable and Speewah projects on a regional geological map

During the June quarter 2018 King River Copper Ltd (ASX:KRC) reported on the Speewah Vanadium Concept Study and new high grade gold intersections at the Mt Remarkable Gold project, both located in the East Kimberley of Western Australia and 100% owned by KRC (Figure 1).

Vanadium-Titanium-Iron Concept Study

KRC is undertaking a Vanadium Concept Study into the production of:

- high purity Vanadium Pentoxide powder and flake ≥99.5% V_2O_5 (chemical, master alloy, battery grades);
- standard grade Vanadium Pentoxide flake (>98% V_2O_5);
- Titanium Dioxide products (pigment and high purity >99% TiO_2), and
- iron oxide Hematite.

The key objective of the Concept Study is to identify the optimum framework for a new Scoping Study into the production of these products which will include the high purity grades required for the manufacture of vanadium electrolytes used in vanadium flow batteries (VFB) and vanadium and titanium products used in master alloys of Al-V-Ti. The study will initially focus on the large Central vanadium deposit at Speewah.

KRC's Vanadium Project is the largest vanadium-in-magnetite deposit in Australia with the highest vanadium grade in the magnetite concentrate (KRC ASX announcement 25 June 2018).

The vanadium deposits 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). This combined resource total comprises Measured Resources of 322 million tonnes at 0.32% V_2O_5, 2% Ti and 14.9% Fe, Indicated Resources of 1,054 million tonnes at 0.33% V_2O_5, 2% Ti and 14.9% Fe, and Inferred Resources of 3,335 million tonnes at 0.29% V_2O_5, 2% Ti and 14.6% Fe (Refer to KRC ASX announcement 26 May 2017 for the full resource statement details).

KRC envisages an open cut mining operation based on the Central Vanadium deposit which outcrops and has shallow dipping geometry (refer KRC ASX announcement 20 June 2018 for an initial conceptual pit modelling study). KRC's Vanadium Concept Study is examining a process flow sheet to produce vanadium pentoxide, titanium dioxide and iron oxide products (KRC ASX release 20 June 2018). Initially a magnetite concentrate grading 2.11-2.15% vanadium pentoxide (V_2O_5) is produced by crushing, grinding and magnetic separation methods (KRC ASX announcements 21 August 2017 and 21 March 2018). The vanadium and titanium enriched concentrate is then leached in hydrochloric acid to release the V, Ti and Fe metals into solution for separation by hydrothermal and chemical precipitation methods followed by purification steps to produce high purity vanadium pentoxide (V_2O_5) and titanium dioxide (TiO_2) products (KRC ASX announcements 30 January 2018, 27 February 2018 and 25 June 2018).

During the quarter several significant parts of the Concept Study were completed:

<u>Hydrometallurgical Testwork by TSW Analytical</u>

TSW Analytical Pty Ltd (TSW Analytical) is investigating a new direct leaching-precipitation method to produce the vanadium, titanium and iron oxide products using the magnetite-ilmenite concentrate previously produced by Nagrom (KRC ASX announcement 21 August 2017 and 21 March 2018). This process is different from conventional salt roast technology or solvent extraction (SX) methods. The SX process route had previously been adopted by KRC in the Scoping Study of 2012.

TSW Analytical Pty Ltd is working on two process routes to make high purity vanadium pentoxide:

- direct hydrous vanadium oxide route produced a high purity vanadium pentoxide (99.48% V_2O_5) (KRC ASX 27 February 2018).

- ammonium metavanadate (AMV) route is the current focus of testwork to produce high purity V_2O_5.

Leach 39 applied the AMV process route to make vanadium pentoxide. The Ti-depleted leachate was used to make the Fe-V crude precipitate as in previous testwork. The oxidation method was used to produce this Fe-V crude precipitate, which assayed 10.32% V_2O_5 and 40.03% Fe_2O_3.

The AMV route involves the caustic leach-ammonium chloride process. A caustic reagent was used to dissolve vanadium from the various combined Fe-V products. Ammonium chloride was then used to precipitate vanadium as AMV. The AMV was purified by recrystallizing from high purity water which removed contaminants from the AMV. The purified AMV was calcined at 450°C which converted the AMV to high grade Vanadium Pentoxide that assays 99.47% V_2O_5 on a sum of impurities basis with 0.23% SiO_2, 0.14% Fe_2O_3 and 0.091% Al_2O_3 (KRC ASX release 25 June 2018).

High grade Vanadium Pentoxide 99.47% V_2O_5

High purity vanadium pentoxide assaying 99.51% V_2O_5 has now been produced (KRC ASX 23 July 2018).

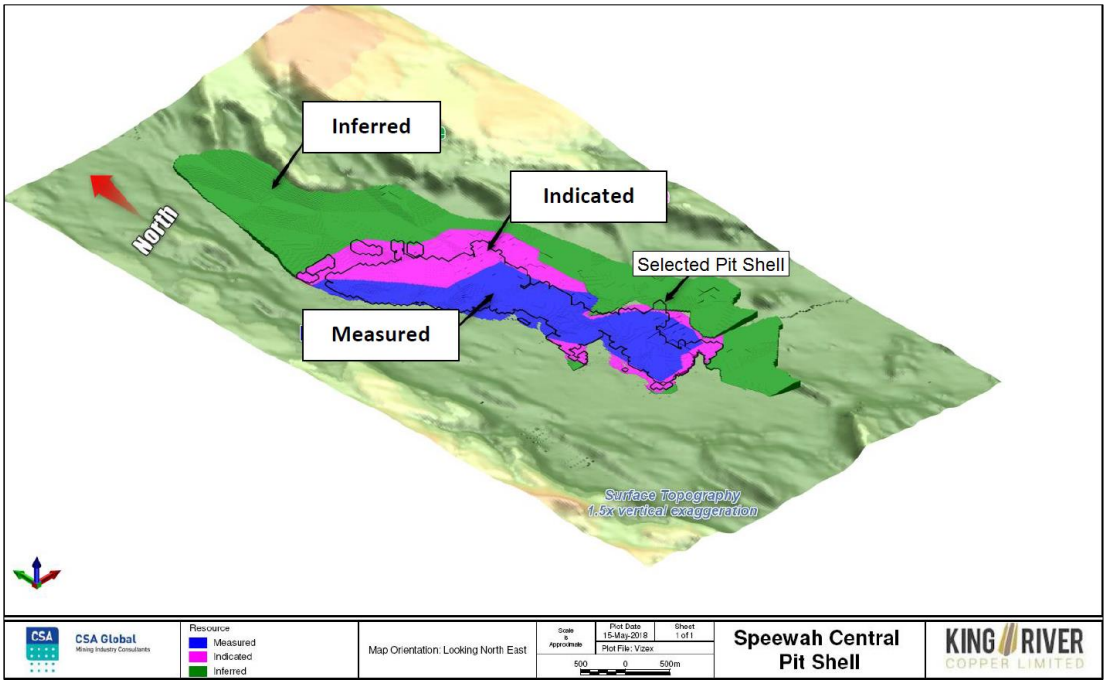
Pit Study by CSA Global

CSA Global Pty Ltd (CSA Global) completed an initial conceptual mining study using open cut optimisation techniques on the Mineral Resource block model for the Central vanadium deposit (KRC ASX 20 June 2018). Only Measured and Indicated Resources, with no Inferred material was used in the analysis.
This initial pit study has allowed KRC to make the following conclusions about the Resource:

- There are sufficient Measured and Indicated Resources to support a materially larger option to that which was modelled in 2012.
- The best optimisation identified a pit shell with sufficient material for several decades of production at economically viable mining grades with a low strip ratio of 0.4 tonne waste to 1 tonne mineralised material. The selected optimisation shell is extensive at 4,200m long, 1,200m wide and is 90m in depth (see 3D diagram below).
- The favourable deposit orientation means that mining costs will be a minor part of total operating costs.
- Grades for V_2O_5, TiO_2 and Fe are very consistent by depth and extent throughout the deposit.
- The deposit will enable a consistent supply of plant feed with a smooth mining movement due to the homogenous nature of the deposit.

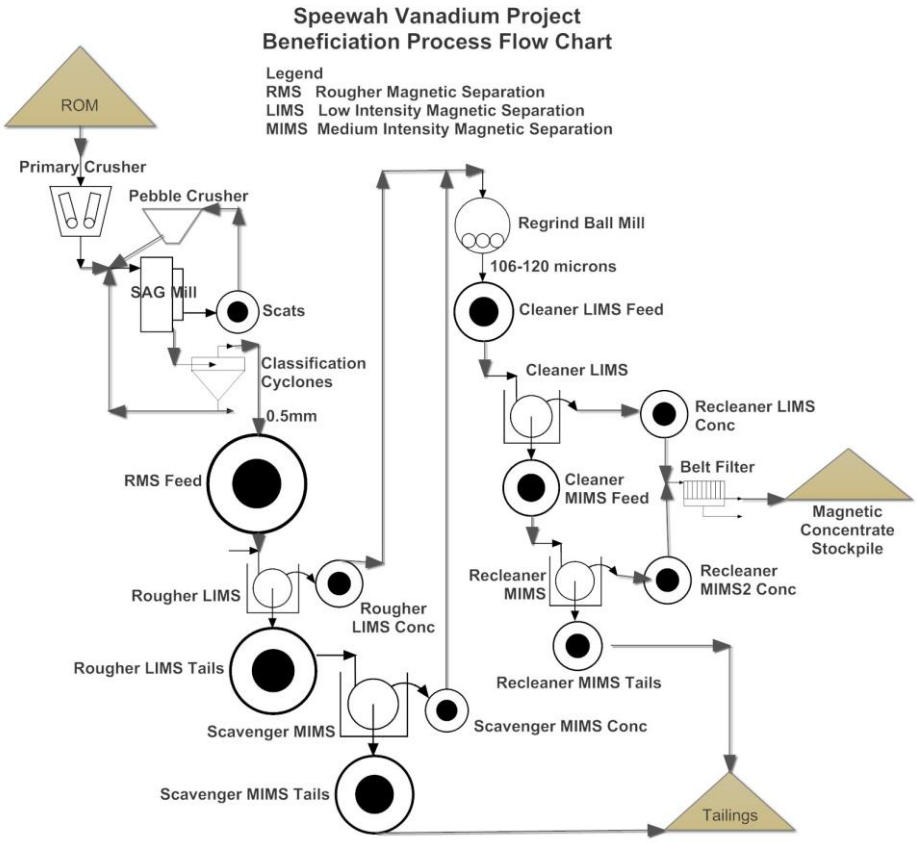
This initial pit study has encouraged KRC to scale up the vanadium-titanium-iron project Scoping Study to almost twice the size of the planned operation reported in the 2012 Scoping Study.

A final pit study will be undertaken on completion of the beneficiation and hydrometallurgical process designs and costings.



Beneficiation Plant Design and Costings by Primero

Primero Group Ltd ("Primero"), an engineering consultant group, has delivered initial detailed process flow sheets for each stage of the beneficiation circuit, and will provide operating and capital cost estimates for a larger scale beneficiation plant to that which was modelled in 2012. The beneficiation circuit has been designed to maximise V and Ti recovery into the magnetite-ilmenite concentrate and reject a high proportion of the ROM feed at a 0.5mm grain size using magnetic separation methods. A simplified process flow chart of the beneficiation process is shown below.



Primero has also provided a comparative study of hydrometallurgical vanadium processing technologies. This study supports KRC's selection of a direct HCl acid leaching-precipitation hydrometallurgical process route. It has also identified some new opportunities for investigation currently underway involving a novel method to concentrate the target metals from the leachate and improve acid recovery.

Environmental consultants Animal Plant Mineral (APM) were appointed to review the environmental aspects at Speewah (commenced by APM in 2010-2012), provide an overview of environmental approvals, and outline future work required.

Key items to be concluded in the current Concept Study for input into the Scoping Study include:

- Finalising the Beneficiation Plant design and capital and processing cost estimates (August 2018);
- Finalising the Hydrometallurgical Process Flow Sheet and capital and processing cost estimates; and
- Final open pit optimisation and mining schedule study using the operating cost estimates.

KRC is also examining an alternative strategy to help expedite closure of the Scoping Study, while the current hydrometallurgical processing plan is being finalised.

Fluorspar Scoping Study Commencement

In the March 2018 quarter, KRC reported its plan to complete a Scoping Study on the Windsor fluorite deposit at Speewah (KRC ASX 23 February 2018).

The first step in this plan was to engage CSA Global Pty Ltd ("CSA Global") to update the Windsor fluorite resource and report in accordance with the JORC Code (2012 Edition) (refer to KRC ASX announcement 23 February 2018 for the full resource statement details). The updated combined Indicated and Inferred Mineral Resource, reported at a 2% CaF_2 cut-off grade from the A, B, C and E fluorite veins at Windsor totals 27.2 million tonnes at 9.5% CaF_2. Within this Mineral Resource there is a high grade Indicated and Inferred Mineral Resource of 6.7 million tonnes at 24.6% CaF_2 at a 10% CaF_2 cut-off grade. The Mineral Resource estimate is shown in Table 1 reported above a cut-off grade of 2% CaF_2.

Table 1: Windsor deposit fluorite Mineral Resource estimate

Zone	JORC Classification	Tonnage (Mt)	CaF2 (%)
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**

During the June quarter KRC engaged CSA Global to undertake a Pit Optimisation/Concept Study into the Windsor fluorite deposit. This study is designed to assess whether the recent price increase for acid grade fluorspar has improved the financial metrics based on an earlier pit study completed in 2004. The results of this study will be reported in the September quarter and if positive a Scoping Study will be undertaken in accordance with JORC 2012 and ASX Listing Rules.

Mt Remarkable Gold Drilling and Regional Exploration

Reverse Circulation ("RC") drilling commence early May 2018 with 83 holes for 3,756 metres completed during the June quarter. Diamond Core ("DC") drilling commenced on 26 June 2018.

Drilling has mainly focused on extending the high grade mineralisation at the Trudi Vein. Drilling on the Trudi Vein has included close spaced grid drilling (5m grid) near previous high grade intersections to test and delineate the trend of high-grade gold mineralisation and identify other nearby high-grade shoots. In addition, deeper wide spaced extensional drilling to the east in an undrilled area has commenced to target where the shallow dipping, gold mineralized Grahame Vein is interpreted to intersect with the Trudi Vein. The intersection of these two gold mineralized structures is interpreted to be a major controlling factor for the high-grade gold mineralisation.

A few holes have also explored for new high grade mineralized zones on other veins within the granted licence E80/5007.

Several high grade gold intersections, some with visible gold (Figure 2), have been previously reported in the quarter within the grid drilling zone of the Trudi Vein (refer KRC ASX announcements 4 June 2018, 20 June 2018 and 28 June 2018):

- 4m @ 113.29/t Au including 1m at 346g/t Au in KMRC0078)
- 3m @ 34.8g/t Au including 1m @ 50.5g/t Au in KMRC0077)
- 3m @ 22.31g/t Au including 1m @ 65.90g/t Au in KMRC0059) Refer KRC ASX 4 June 2018
- 3m @ 9.84g/t Au including 1m @ 14.70g/t Au in KMRC0046)
- 6m @ 4.01g/t Au including 1m @ 15.65g/t Au in KMRC0047)
- 3m @ 41.75g/t Au including 1m @ 81.5g/t Au in KMRC0072)
- 3m @ 38.70g/t Au including 1m @ 55.80g/t Au in KMRC0073)
- 2m @ 66.50g/t Au including 1m @ 77.2g/t Au in KMRC0074) Refer KRC ASX 20 June 2018
- 4m @ 39.78g/t Au including 1m @ 82.7g/t Au in KMRC0075)
- 3m @ 16.26g/t Au including 1m @ 38.30g/t Au in KMRC0076)
- 2m @ 27.28g/t Au including 1m @ 39.20g/t Au in KMRC0079)
- 2m @ 16.78g/t Au including 1m @ 31.80g/t Au in KMRC115) Refer KRC ASX 28 June 2018
- 10m @ 1.53g/t Au including 1m @ 9.33g/t Au in KMRC114)

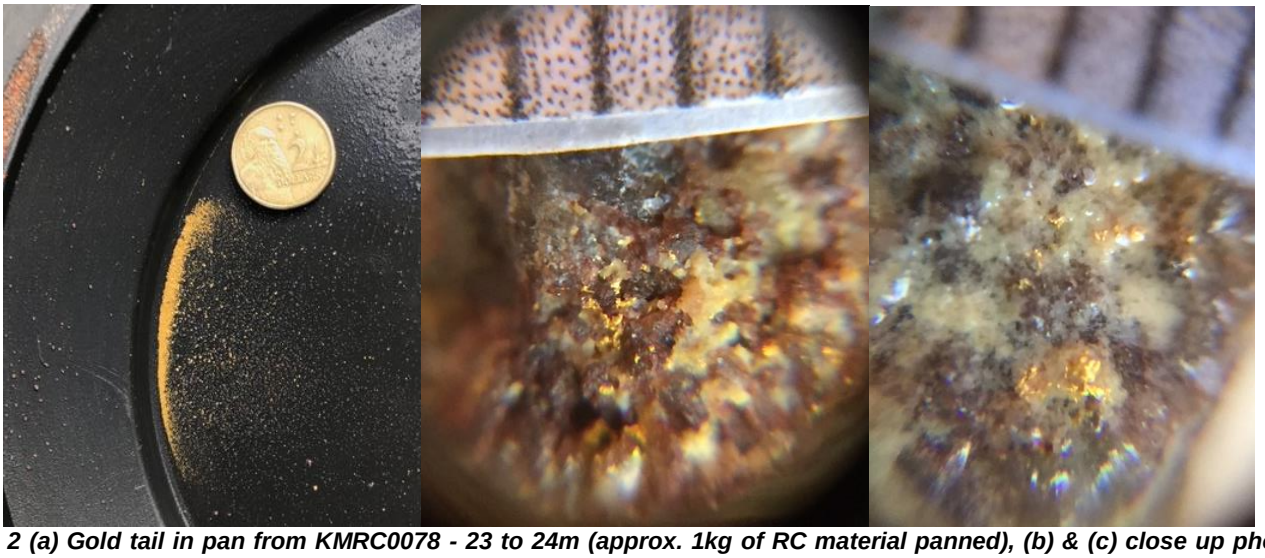


Figure 2 (a) Gold tail in pan from KMRC0078 - 23 to 24m (approx. 1kg of RC material panned), (b) & (c) close up photo of fine visible gold observed in RC chips (scale 1mm per bar) from KMRC0078 (23-24m & 25-26m).

Figure 3: View of the drilling operation along the Trudi Vein

RC drilling results from the Trudi Vein have shown the high-grade gold mineralisation is not just constrained to the intense adularia zones as previously thought, but form plunging shoots that trend within the broader quartz adularia vein structure. It is interpreted that the plunge component is structurally influenced by the intersection of the Trudi Vein with the Grahame Vein which is plunging to the east (Figure 4).

KRC believe that continued close spaced testing of this part of the grid and other mineralized areas on the Trudi Vein could reveal additional new high-grade gold shoots. For example, the latest high-grade result from KMRC115 is a continuation to the very high-grade gold zone announced 4/6/18 and 20/6/18 and is still open to the east and at depth (with assays pending for the deeper holes on the same section - Figure 5). This new very high value of 31.8g/t Au and the presence of a significant visible gold tail in the pan show that the grade has increased from the previous section where the highest value returned was 19.30g/t Au in KMRC0083. The high-grade result (9.33g/t Au) from deeper hole KMRC114 (Figure 5 and 6) is a newly identified high grade zone, close to where historic drilling returned broad lower grade mineralisation (06WRC60: 21m @ 0.97g/t Au). This new high-grade result shows that high grade zones are continuing to occur at depth within an overall broad lower grade mineralized envelope. This new high-grade zone is open to the east and at depth on an easterly plunge (KRC ASX 28 June 2018).

Exploration drilling of the undrilled eastern extents of the vein is planned later in the programme to track both the Grahame and the Trudi vein to the east (see new drill intersection of a 38m quartz adularia structure – assays pending; KRC ASX announcement 12/6/18) and then test the intersection zone as it plunges to the east (Figure 4).

Close spaced grid drilling has also been completed on the Gemma Vein (assays pending) where a 2017 drill intersect returned over 5g/t Au, adjacent to areas of structural complexity and large vein widths. Also exploration drilling of other veins in the Mt Remarkable project is planned.

Four diamond drill holes are planned to be drilled on the Trudi Vein to provide structural information on the current high-grade zones. One DC hole (KMDC001, Figure 5) has been drilled and assays are pending. Visible gold was observed in HQ3 drill core between 24.4m to 25m in a 4m quartz adularia structure with disseminated chalcocite, chalcopyrite and malachite. The hole was designed to provide structural information on the previously announced high grade drill intersection in KMRC00078 and was targeted just above and to the west of this intersection (Figure 5). Structural measurements and interpretation are underway, and samples will be cut and sent to Perth once the core has been analysed and logged.

At the end of the quarter assay results were still pending for: 20 RC holes from the Trudi Grid, including 3 drilled more than 120m east of the main Trudi grid drilling, 11 RC grid drill holes on the Northern Gemma vein and the first diamond drill hole.

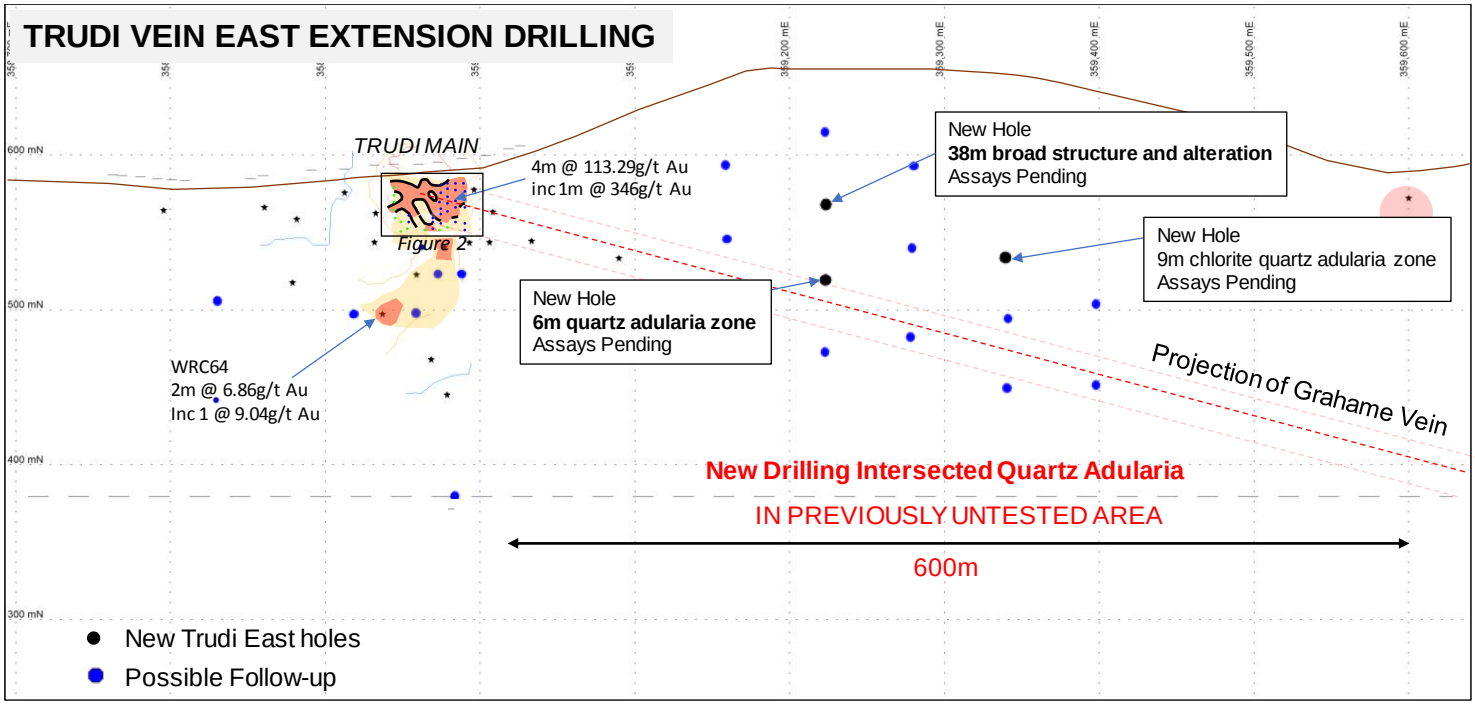
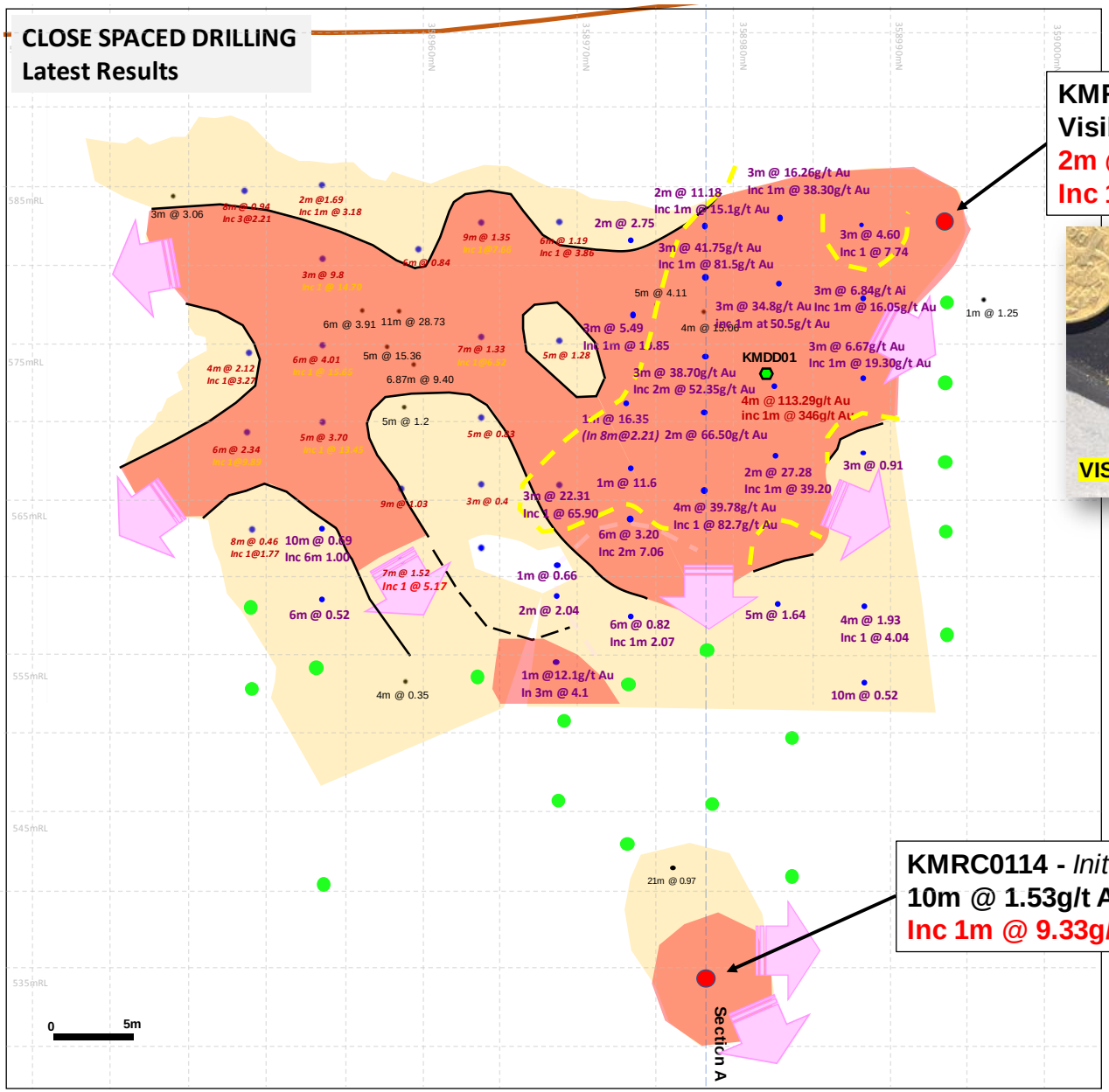


Figure 4: Long Projection, looking north, showing know extents of the Trudi Vein with Trudi high grade area currently being grid drilled (black box – figure 3) and intersection with Grahame Vein plunging to east. Intersections to east previously announced in KRC ASX announcement 12/6/18.



KMRC0115 - *Initial results*
Visible Gold in Pan (15-16m)
2m @ 16.78g/t Au
Inc 1m @ 31.8g/t

KMRC0114 - *Initial results*
10m @ 1.53g/t Au
Inc 1m @ 9.33g/t

Figure 5: Long Projection, looking north, of Trudi high grade area targeted by close spaced drilling: new very high grade down hole intersects (in text boxes), drilled holes (blue dots), holes with assays pending (green dots), diamond drill hole – green hexagon, > 10 gram metre of gold (red polygon), yellow – 1gram metre.

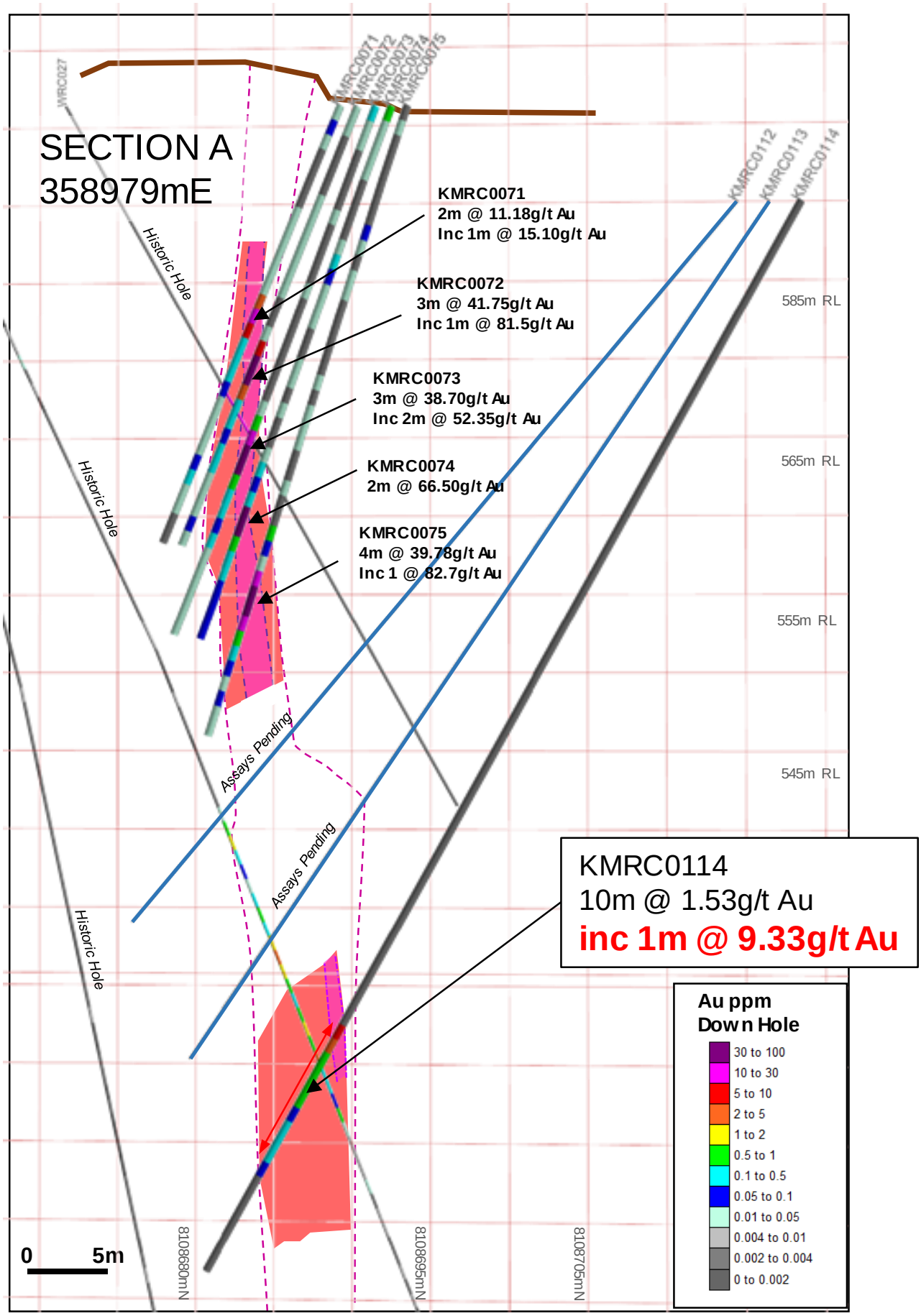


Figure 6: Cross Section- 358979mE, looking west, showing new high grade gold result for KMRC0114. Pink zone >5g/t, red >0.1g/t Au, dashed line broad structure.

Tennant Creek Exploration

During the June quarter, two Exploration Licences 31617 and 31619 were granted, exceeding 1,450 square kilometres in area. These are located in the Tennant Creek copper-gold belt of the Northern Territory (Figure 7).

A total of 12 licences have been applied for by Treasure Creek Pty Ltd, a wholly owned subsidiary of KRC (refer to ASX announcement 8 August 2017 and Table 1) covering an area of 6,633.97 square kilometres. The remaining tenements are pending.

KRC intention is to drill the most mature targets that have been generated in the last quarter 2018.

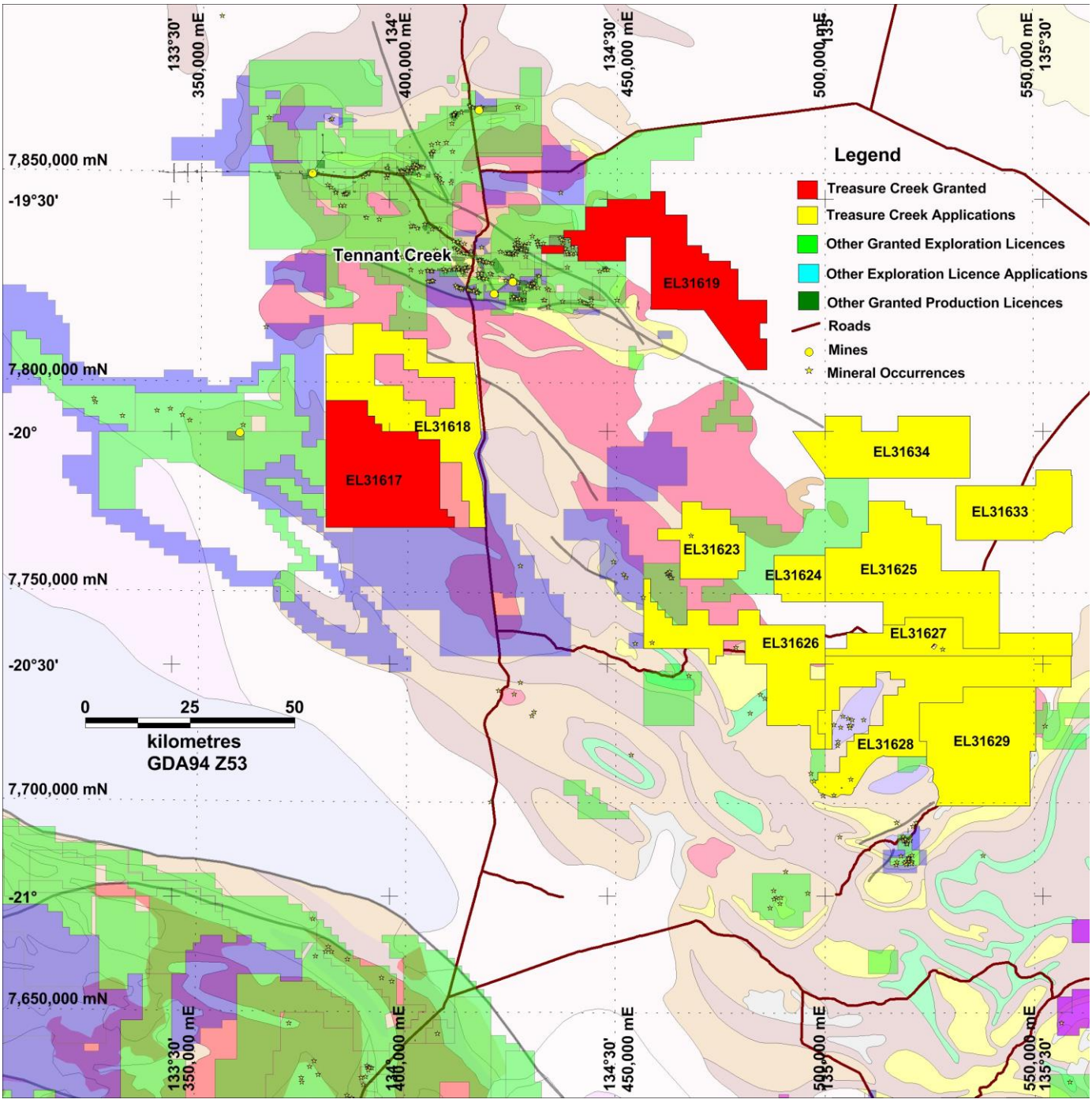


Figure 7: Treasure Creek Exploration Licences granted (red) and applications (yellow) on 1:2500k geology map outlining the Tennant Creek Gold Field, together with tenements held by other parties.

Financial Summary

The company secured an injection of funding of over $6,648,000 through an underwriting and exercise at 10 cents of June 30th 2018 options.

The Company announced in June a bonus issue (1 new ASX listed option for every 3 shares held) of July 2020 options, with an exercise price of 12 cents, issued to all shareholders registered on July 18 2018.

Cash balance as of 3 July 2018 is $7,369,000.

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.

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TABLE 2: 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%	Expired 24 June 2018
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%	
ELA80/5177		100%	
ELA80/5178		100%	
ELA80/5192		100%	
ELA80/5193		100%	
ELA80/5194		100%	
ELA80/5195		100%	
ELA80/5196		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 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