KING RIVER COPPER LIMITED

(ACN 100 714 181)

Annual Report

For the year ended 30 June 2018

Contents

	Page
Corporate Directory	3
Directors' Report	4
Auditor's Independence Report	13
Directors Declaration	14
Statement of Comprehensive Income	15
Statement of Financial Position	16
Statement of Cash Flows	17
Statement of Changes in Equity	18
Notes to the Consolidated Financial Statements	19
Independent Audit Report	38
ASX Additional Information	42
Corporate Governance Statement	45

Corporate Directory

ACN: 100 714 181

ASX Code: KRC

King River Copper shares are listed on the Australian Stock Exchange (ASX)

DIRECTORS

Anthony Barton	(Chairman)
Leonid Charuckyj	(Director)
Greg MacMillan	(Director)

COMPANY SECRETARY

Greg MacMillan

REGISTERED OFFICE

254 Adelaide Tce
Perth WA 6000
Tel: (08) 9221 8055
Fax: (08) 9325 8088
Email: info@kingrivercopper.com.au

SOLICITORS

Fairweather Corporate Lawyers
595 Stirling Highway
Cottesloe WA 6011

BANKERS

ANZ Banking Corporation
1275 Hay Street
West Perth WA 6005

SHARE REGISTER

Security Transfer Registrars Pty Ltd
770 Canning Highway
Applecross WA 6153

AUDITORS

Ernst and Young
11 Mounts Bay Road
Perth WA 6000

INTERNET ADDRESS

www.kingrivercopper.com.au

The directors submit their report for King River Copper Limited ("King River" or "the Company") and its controlled entities for the year ended 30 June 2018.

DIRECTORS

The names and details of the Company's directors in office during the financial year and until the date of this report are as follows. The directors were in office for the entire period unless otherwise stated. No director has served as a director of any other ASX Listed Companies in the past 3 years unless mentioned below.

Anthony Barton
Chairman
Appointed 21st May 2007

Mr Barton has been involved in founding and growing a number of successful listed public companies. He has extensive experience in capital markets, corporate finance, funds management and venture capital and has had advisory roles in the incorporation and listing of many Australian based resource companies.

Mr Barton is the founding Executive Chairman of the boutique investment bank Australian Heritage Group. He is a graduate of the Royal Melbourne Institute of Technology with a Bachelor of Business (Accountancy) degree and has 40 years of commercial experience having also acted in senior executive and director capacities for two leading Australian stockbroking firms. Mr Barton was a non-executive director of ASX listed Spectrum Resources Limited from 6 April 2011 to 8 March 2017.

Leonid Charuckyj
Director
Appointed 13th December 2011

Mr. Charuckyj (B.E. and M.Eng-Sc. Melbourne University) has had extensive experience over a broad range of technical, engineering, management and corporate roles including senior positions in government, public and private industry both in Australia and overseas. Focus has been on the environmental, pollution control and waste management industries and on the energy and mining industries amongst others.

This has included such diverse roles as representing Australia as an expert engineering advisor in the Middle East, developing and commercialising new technologies (both in the public company arena and for major international groups), and managing all aspects of an industrial minerals development from mine and processing to product development and marketing. Mr Charuckyj was a non-executive director of ASX listed Spectrum Resources Limited from 22 December 2011 to 9 March 2018.

Gregory MacMillan
Director - Appointed 2nd July 2014
Company Secretary - Appointed 9th August 2012

Greg MacMillan has wide ranging corporate, financial, capital markets and commercial experience over the last 30 years. Greg has held the positions of director, company secretary, chief financial officer, and corporate finance executive in numerous companies across the finance, mining and commercial sectors. Greg holds a Bachelor of Business degree, is a Certified Practicing Accountant and a Chartered Company Secretary.

NATURE OF OPERATIONS AND PRINCIPAL ACTIVITIES

King River has established a portfolio of 100% owned tenements covering approximately 640 square kilometres, and has applications pending for 2,772 square kilometres, in the East Kimberley region in Western Australia. The principal activities of the entities within the Group during the year were focusing on exploration and development of the tenements in the East Kimberley region of Western Australia. King River has also established a portfolio of 100% owned tenements covering approximately 4,361 square kilometres, and has applications pending for 2,257 square kilometres, in the Tenant Creek region of the Northern Territory.

OPERATIONS REPORT

The primary focus of King River Copper during the 2018 financial year was the advancement of scoping studies on the JORC resources of Vanadium/Titanium/Iron and the Fluorspar projects located on the Speewah Dome, in the Eastern Kimberley.

The Company has also enjoyed further success with high grade gold exploration at Mt Remarkable, located some 120 kilometres South of Speewah. The Mt Remarkable discovery has stimulated new applications over vast areas of outcropping host rocks that link the Speewah Dome and this new gold discovery.

INTERESTS IN THE SHARES AND OPTIONS OF THE COMPANY
As at the date of this report, the interests of the directors in the shares of the Company were

		Ordinary Shares	Options Over Ordinary Shares
Anthony Barton	Chairman	100,114,702[1]	38,971,571[1]
Leonid Charuckyj	Director	16,362,121[2]	2,041,263[2]
Greg MacMillan	Director	33,649,928[3]	11,216,644[3]
Total		**150,126,751**	**52,529,478**

[1]600,000 options are held in M A Barton's personal name, 38,959,876 of the shares and 12,986,627 options are held by Mr AP Barton and Mrs CH Barton as trustee for the Barton Family Superannuation Fund of which Mr Barton is a director and a beneficiary, 20,613,153 of the shares and 6,871,051 options are held by Barton & Barton Pty Ltd of which Mr Barton is a director, 34,583,147 of the shares and 16,527,717 options are held by Universal Oil (Australia) Pty Ltd of which Mr Barton is a director and a beneficiary, and 5,958,526 of the shares and 1,986,176 options are held by Harvey Springs Estate Pty Ltd of which Mr Barton is a director and a beneficiary.

[2] 150,699 shares and 350,233 options are held in Mr L Charuckyj's personal name, 4,939,754 of the shares and 1,646,585 options are held by Mr L Charuckyj & Mrs CM Charuckyj as trustee for the ZETA Super Fund of which Mr Charuckyj is a trustee and beneficiary, 11,271,668 of the shares and 44,445 options are held by Temtor Pty Ltd of which Mr Charuckyj is a director and beneficiary.

[3] 33,649,928 shares and 11,216,644 of the options are held by GDM Services Pty Ltd as trustee for the GDM Services Trust and GDM Services Superannuation Fund of which Mr MacMillan is a director and beneficiary.

CORPORATE STRUCTURE
King River is a company limited by shares that is incorporated and domiciled in Australia. King River has fully owned subsidiaries:

- Speewah Mining Pty Ltd
- Treasure Creek Pty Ltd (incorporated on 11th May 2017)
- Kimberley Gold Pty Ltd (incorporated on 12th June 2018)
- Whitewater Minerals Pty Ltd (incorporated 13th June 2018)

The Group has prepared a consolidated financial report incorporating the entities (being 100% owned subsidiaries) that it controlled during the financial year,

REVIEW OF CONSOLIDATED FINANCIAL CONDITION
The consolidated entity recorded an operating loss after income tax of $871,803 (2017: $422,996 loss). There was no dividend declared or paid during the year.

CAPITAL STRUCTURE
As at the date of this report the Company had 1,238,638,553 fully paid ordinary shares. There were also 412,867,511 listed options over ordinary shares on issue and 8,800,000 unlisted options over ordinary shares on issue (2017: 5,550,000). Details of the terms of the unlisted options are outlined in Note 17 of the consolidated financial statements.

CASH FROM OPERATIONS
The net cash outflow used in operations was $392,123 (2017: $373,631). The cash balance at year end was $4,619,139.

LOSS PER SHARE	**2018**	**2017**	**2016**	**2015**	**2014**
Basic and diluted loss per share (cents)	(0.09)	(0.07)	(0.04)	(0.10)	(0.40)
Share price (cents)	0.097	0.007	0.007	0.029	0.12

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS
During the financial year the following significant changes were made to the Company's equity:

- On the 16th October 2017, the Company issued 129,000,000 ordinary shares at $0.005 as part of a Placement from professional and sophisticated investors;
- On the 3rd November 2017, the Company issued 71,000,000 ordinary shares at $0.005 as part of a Placement from professional and sophisticated investors;
- On the 3rd November 2017, the Company issued 12,774,999 ordinary shares at $0.006 as part of the conversion of outstanding Director fees. The Directors agreed to convert their outstanding Director fees for the period April 2017 to October 2017 into

shares at a price 20% above the placement price. This was approved at a general meeting held 3 November 2017. The actual closing share price on this date was $0.007;

- On the 12th December 2017, the Company issued 50,000,000 ordinary shares at $0.011 as part of a Placement from professional and sophisticated investors.
- On the 2nd February 2018, the Company issued 40,000,000 ordinary shares at $0.03 as part of a Placement from professional and sophisticated investors.
- On or before 30th June 2018, the Company issued 6,711,512 ordinary shares at $0.10 as part of the Options exercised at $0.10 with an expiry date of 30 June 2018.

SIGNIFICANT EVENTS AFTER THE BALANCE DATE

- On the 2nd July 2018 the Company received $2,750,000 for the balance of the underwriting commitments with unrelated parties for the underwriting of the exercise of the 30 June 2018 options. The Company received $3,250,000 in advance (before 30 June 2018) for the underwriting commitment. On 3 July 2018 the Company issued 60,000,000 ordinary shares at $0.10 for the underwriting commitment. At balance date, $6,000,000 in relation to these ordinary shares has been included in Issued Capital.
- On 19 July 2018 the Company issued 412,877,897 free bonus options to all eligible shareholders. Bonus Options are exercisable at $0.12 each with an expiry date of 31 July 2020.
- On 13 August 2018 the Company announced to shareholders that the Company has embarked on an internal corporate restructure. The Mt Remarkable gold discovery and other Western Australian copper/gold tenements and applications held outside the boundary of the Speewah Dome will be placed into a new 100% owned subsidiary called Kimberley Gold Pty Ltd. The existing subsidiary, Speewah Mining Pty Ltd, will continue to own 100% of the Vanadium, Titanium, Iron, Fluorspar projects.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

The consolidated entity's primary focus is on the advancement of scoping studies on the JORC resources of Vanadium/Titanium/iron and the Fluorspar projects located on the Speewah Dome in the Eastern Kimberley. The consolidated entity will also continue exploration of its high grade gold project located at Mt Remarkable in the Eastern Kimberley.

ENVIRONMENTAL REGULATION AND PERFORMANCE

The consolidated entity's environmental obligations are regulated under both State and Federal law. All environmental performance obligations are monitored by the Board and subjected from time to time to Government agency audits and site inspections. The consolidated entity has a policy of at least complying with, but in most cases exceeding, it's statutory environmental performance obligations. No environmental breaches have occurred or have been notified by any Government agencies during the year ended 30 June 2018.

SHARES UNDER OPTION

As at the date of this report, there were 421,677,511 unissued ordinary shares under granted options.

Date Options Granted	Expiry Date	Issue Price of Shares	Number Under Option
7-May-2014	30-June-2019	$0.20	1,350,000
25-June-2014	30-June-2019	$0.20	1,200,000
21-July-2015	30-November-2018	$0.10	1,750,000
18- January- 2018	30-June-2020	$0.10	4,500,000
25-July-2018	31-July-2020	$0.12	412,867,511
			421,667,511

SHARES ISSUED ON EXERCISE OF OPTIONS

During or since the end of the financial year, there were 8,149,234 shares issued on options exercised and 116,260,934 options expired. Refer to Note 15 of the consolidated financial statements for further details of the options. Option holders do not have any right, by virtue of the option, to participate in any issue of the Company or any related body corporate.

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

The Company has entered into Director and Officer Protection Deeds ("D&O Deed") with each Director and the Company Secretary ("Officers"). Under the D&O Deed, the Company indemnifies the Officers to the maximum extent permitted by law and the Constitution against legal proceedings, damage, loss, liability, cost, charge, expense, outgoing or payment (including legal expenses on a solicitor/client basis) suffered, paid or incurred by the officers in connection with the Officers being an officer of the Company, the employment of the officer with the Company or a breach by the Company of its obligations under the D&O Deed.

Also pursuant to the D&O Deed, the Company must insure the Officers against liability and provide access to all board papers relevant to defending any claim brought against the Officers in their capacity as officers of the Company. The Company has paid insurance premiums of $6,400 (2017: $6,400) in respect of liability for any current and future directors, Company secretary, executives and employees of the Company. This amount is payable in total and no specific amount is included in the directors' remuneration. Please also note Directors' Liability insurance premiums was paid in the 2019 financial year.

ROUNDING

The amounts contained in this report and in the financial report have been rounded to the nearest dollar.

REMUNERATION REPORT (AUDITED)

This report details the nature and amount of remuneration for each director of King River Copper Limited, and for the executives in accordance with the requirements of the Corporations Act 2001 and its Regulations. For the purposes of this report, key management personnel (KMP) of the Company and the Group are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company and the Group, directly or indirectly, including any director (whether executive or otherwise) and Company secretary, and includes two executives in the group.
For the purposes of this report, the term "executive" encompasses the chief executive and senior executives of the Company.
Details of key management personnel

(i) *Directors*

A Barton	Chairman
L Charuckyj	Director
G MacMillan	Director / Company Secretary

(ii) *Executives*

K Rogers	Chief Geologist
A Chapman	Project Geologist

Other than as detailed above there are no other Executives of the Company.

1. Remuneration Committee

The Remuneration Committee of the Board of Directors of King River is responsible for determining and reviewing compensation arrangements for the directors and executives. The Remuneration Committee assesses the appropriateness of the nature and amount of emoluments of such officers on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality board and executive team. Such officers are given the opportunity to receive their base emolument in a variety of forms including cash and fringe benefits such as motor vehicles and expense payment plans. It is intended that the manner of payment chosen will be optimal for the recipient without creating undue cost for the Company.

2. Use of Independent Remuneration Consultants

During the year ended 30 June 2018 no external remuneration consultants were engaged to assist the Group in any capacity.

3. Remuneration Policy

The Company's remuneration policies are reflected in the Charter of the Remuneration Committee. It is the Company's objective to provide maximum stakeholder benefit from the retention of high quality Board and executive team by remunerating directors and key executives fairly and appropriately with reference to relevant employment market conditions.

The Company's remuneration policy is to establish competitive remuneration (including performance incentives) consistent with long term development and success, to ensure remuneration is fair and reasonable (taking into account all relevant factors, and within appropriate controls or limits) that performance and remuneration are appropriately linked, that all remuneration packages are reviewed annually or on an ongoing basis in accordance with management's remuneration packages, and that retirement benefits or termination payments (other than notice periods) will not be provided or agreed other than in exceptional circumstances.

It is the Company's objective that the remuneration policy aligns with achievement of strategic objectives and creation of long term value for shareholders. The Company does not use specific performance hurdles or conditions in determining remuneration or short term rewards considering the stage of operations of the Company; options are issued to attract and retain Key Management personnel. The Company assesses each employee annually based upon the individual performance in carrying out the agreed responsibilities of the employee which have been developed in consideration of the Company's long term goals. The performance incentive component is reflected as part of the increase in salary and the issue of equity based compensation for each employee on an annual basis.

The Company does not have a formal policy to prohibit executives from entering into arrangements to protect the value of unvested long term incentive awards.

The Company has not issued any performance based payments during the period, performance related payments are under ongoing review and will be included when deemed appropriate given the Company position and performance at the time.

4. Non Executive Director Remuneration

4.1 Fixed Remuneration

The aggregate remuneration to non executive directors will not exceed the maximum approved amount of $150,000. The board seeks to set aggregate remuneration at a level which provides the Company with the ability to attract and retain directors of the highest calibre, whilst incurring a cost which is acceptable by shareholders. The amount of aggregate remuneration sought to be approved by shareholders and the manner in which it is apportioned amongst directors is reviewed annually. The board considers fees paid to non executive directors of comparable companies when undertaking the annual review as well as additional time commitment of directors who serve on one or more sub committees and assistance to the Company with new investment opportunities. Each of the non executive directors during the financial year received a salary of $43,800 per annum inclusive of superannuation. Non executive directors are encouraged to hold shares in the Company; these are to be purchased by the director on market. It is considered good corporate governance for directors to have a stake in the company on whose board he or she sits. Remuneration of non executive directors for the year ended 30 June 2018 is disclosed in Table 1 under the remuneration section of this report.

4.2 Variable Remuneration – Short Term Incentives

Non executive directors do not receive performance based bonuses or additional remuneration for their membership of subsidiary boards or committees.

4.3 Variable Remuneration – Long Term Incentives

During the financial year, the Company had no contractual obligations to provide long term incentives to non executive directors.

5. Executive Director Remuneration

The Company aims to reward executives with a level and mix of remuneration commensurate with their position and responsibilities within the company so as to:

- reward executives for Company and individual performance;
- align the interests of executives with those of shareholders;
- link reward with the strategic goals and performance of the company; and
- ensure total remuneration is competitive by market standards.

Executive remuneration comprises of:

- base pay and benefits; and
- long term incentives through equity based compensation.

5.1 Fixed Remuneration

Base pay and benefits

Base pay is structured as a total employment cost package that may be delivered as combination of cash and salary sacrifice superannuation at the executive's discretion.

Executives are offered a competitive base pay. Reference is made to industry benchmarks to ensure that the base pay is set to reflect the market for a comparable role. Base pay is reviewed annually, or upon promotion, to ensure the executive's pay is competitive with comparable positions of responsibility. There is no guaranteed base pay increases for any executive contract.

5.2 Variable Remuneration – Long Term Incentives

During the financial year the Company had no contractual obligations to provide long term incentives to the Key Management Personnel and Executives of the Company.

5.3 Employment Contracts – Executives - Ken Rogers (Chief Geologist), Andrew Chapman (Project Geologist)

The Company had entered into employment agreements with Messer's Rogers and Chapman for the provision of technical geological services based on daily rates for the provision of services. Their services could be terminated by giving a 2 week notice by either party.

6. Remuneration of Key Management Personnel and Executives of the Company

Details of the remuneration of each director of King River, each of the executives of the Company and the consolidated entity for the year ended 30 June 2018 are set out in the following tables.

Table 1: Remuneration for the year ended 30 June 2018

30 June 2018	Short Term Salary & Fees	Bonus	Post Employment Superannuation	Share Based Payments		Total	Performance Based Remuneration as % of Total
				Options	Shares[2]		
	$		$	$	$	$	%
Directors							
A Barton	29,200	-	-	-	29,808	59,008	-
L Charuckyj	29,200	-	-	-	29,808	59,008	-
G MacMillan	26,426	-	2,774	-	29,808	59,008	-
Sub Total[1]	**84,826**	**-**	**2,774**	**-**	**89,425**	**177,025**	**-**
Executives							
K Rogers	60,740	15,500	7,243	75,400	-	158,883	9.76%
A Chapman	128,087	-	-	75,400	-	203,487	-
Sub Total	**188,827**	**15,500**	**7,243**	**150,800**	**-**	**362,370**	**4.28%**
Total	**273,653**	**15,500**	**10,017**	**150,800**	**89,425**	**539,395**	**2.87%**

1. Premium for Director's liability insurance is not included in remuneration table.
2. These shares were issued to Directors to settle outstanding directors fees accumulated from April 2017 – October 2017. Shares were issued at $0.007 per share based on the market price at time of issue.

Other than disclosed in the table above no director or executive received any compensation in the financial year ended 30 June 2018.

Table 2: Remuneration for the year ended 30 June 2017

30 June 2017	Short Term Salary & Fees	Post Employment Superannuation	Share Based Payments Options	Share Based Payments Shares [2]	Total	Performance Based Remuneration as % of Total
	$	$	$	$	$	
Directors						
A Barton	14,600	-	-	29,200	43,800	-
L Charuckyj	14,600	-	-	29,200	43,800	-
G MacMillan	13,333	1,267	-	29,200	43,800	-
Sub Total[1]	**42,533**	**1,267**	**-**	**87,600**	**131,400**	**-**
Executives						
K Rogers	60,000	5,700	-	-	65,700	-
A Chapman	120,612	-	-	-	120,612	-
Sub Total	**180,612**	**5,700**	**-**	**-**	**186,312**	**-**
Total	**223,145**	**6,967**	**-**	**87,600**	**317,712**	**-**

1. Premium for Director's liability insurance is not included in remuneration table.

Other than disclosed in the table above no director or executive received any compensation in the financial year ended 30 June 2018.

6.1 Equity Based Compensation – Options 2018

During the year unlisted options exercisable at $0.10 on or before 30 June 2020 were issued to executives of the Company. 2,000,000 options were issued to Ken Rogers and 2,000,000 to Andrew Chapman. The options were issued as an alternate remuneration to cash, to provide industry competitive remuneration rates and to encourage long term relationships with the Company. These options all vested on date of issue.

Table 1: Compensation Option Holdings of Key Management Personnel during the year ended 30 June 2018

30 June 2018	Balance at Beginning of Period 1 July 2017	Granted as Remuner-ation	Options Exercised	Options Expired	Balance at End of Period 30 June 2018	Vested at 30 June 2018 Total	Vested at 30 June 2018 Not Exercisable	Vested at 30 June 2018 Exercisable
Directors								
A Barton	600,000	-	-	-	**600,000**	**600,000**	-	600,000
L Charuckyj	300,000	-	-	-	**300,000**	**300,000**	-	300,000
G MacMillan	300,000	-	-	-	**300,000**	**300,000**	-	300,000
Executives								
K Rogers	1,050,000	2,000,000	-	(250,000)	**2,800,000**	**2,800,000**	-	2,800,000
A Chapman	2,600,000	2,000,000	-	(1,000,000)	**3,600,000**	**3,600,000**	-	3,600,000
Total	**4,850,000**	**4,000,000**	**-**	**(1,250,000)**	**7,600,000**	**7,600,000**	**-**	**7,600,000**

6.2. Equity Based Compensation – Shares 2018

Table 1: Shareholdings of Key Management Personnel during the year ended 30 June 2018

30 June 2017	Balance 1 July 2017 Ord	Granted as Remuneration Ord	On Exercise of Options Ord	Net Change Other Ord	Balance 30 June 2018 Ord
Directors					
A Barton [1]	122,929,254	4,258,333	-	15,000,000	**142,187,587**
L Charuckyj [2]	12,103,788	4,258,333	-	-	**16,362,121**
G MacMillan [3]	40,696,162	4,258,333	-	-	**44,954,495**
Executives					
K Rogers	3,800,120	-	-	-	**3,800,120**
A Chapman	-	-	-	-	**-**
Total	179,529,324	**12,774,999**	**-**	**15,000,000**	**207,304,323**

[1] 38,959,876 of the shares are held by Mr AP Barton and Mrs CH Barton as trustee for the Barton Family Superannuation Fund of which Mr Barton is a director and a beneficiary. 22,072,885 of the shares are held by Australian Heritage Group Pty Ltd as trustee for the Australian Heritage Trust of which Mr Barton is a director and a beneficiary. 20,613,153 of the shares are held by Barton & Barton Pty Ltd of which Mr Barton is a director. 49,583,147 of the shares are held by Universal Oil (Australia) Pty Ltd of which Mr Barton is a director and a beneficiary. 5,958,526 of the shares are held by Harvey Springs Estate Pty Ltd of which Mr Barton is a director and a beneficiary.

[2] 150,699 shares are held in Mr L Charuckyj's personal name. 4,939,754 of the shares are held by Mr L Charuckyj & Mrs CM Charuckyj as trustee for the ZETA Super Fund of which Mr Charuckyj is a trustee and beneficiary. 11,271,668 of the shares are held by Temtor Pty Ltd of which Mr Charuckyj is a director and beneficiary.

[3] 22,881,610 of the shares are held by GDM Services Pty Ltd as trustee for the GDM Services Trust of which Mr MacMillan is a director and beneficiary. 22,072,885 of the shares are held by Australian Heritage Group Pty Ltd as trustee for the Australian Heritage Trust of which Mr MacMillan is a director and beneficiary.

6.3 Related Party Transactions

Australian Heritage Group Pty Ltd ("AHG"), a company of which Mr Anthony Barton, a Director and Mr Greg MacMillan, a Director and the Company Secretary, have entered into an occupancy and administration agreement with King River Copper in respect of providing occupancy, administration and bookkeeping services commencing March 2009. The total value of the occupancy and administration services provided by AHG during the year was $78,818 (2017: $93,595). All services provided by companies associated with directors were provided on commercial terms.

Mr Anthony Barton, a Director of the Company took part in the Share Placement purchasing a total of 15,000,000 shares for $75,000 and received a total of 4,258,333 shares worth $29,808 as payment of outstanding Directors fees.

Mr Leonid Charuckyj received 4,258,333 shares worth $29,808 as payment of outstanding Directors fees.

Mr Greg MacMillan received 4,258,333 shares worth $29,808 as payment of outstanding Directors fees.

End of Remuneration Report

DIRECTORS' MEETINGS

The number of meetings of directors (including meetings of committees of directors) held during the year and the number of meetings attended by each director was as follows:

	Directors[1] Meetings
Number of Meetings Held	2
Number of Meetings Attended	
Anthony Barton	2
Leonid Charuckyj	-
Greg MacMillan	2

1. During the year the Directors approved 4 circular resolutions which were signed by all Directors of the Company

2. Committee is made up of the full Board. Reference to meeting refers to meeting conducted specifically to deal with the particular business of that Committee.

COMMITTEE MEMBERSHIP

The role of the Audit, Remuneration and Nomination Committees is carried out by the full Board in accordance with the appropriate charters. The Board considers that no efficiencies or benefits would be gained by establishing separate committees.

CORPORATE GOVERNANCE

In recognising the need for the highest standards of corporate behaviour and accountability, the directors of King River support and have adhered to the principles of corporate governance. The Company's corporate governance statement is contained in the following section of this annual report.

INDEMNIFICATION OF AUDITORS

To the extent permitted by law and professional regulations, the Company has agreed to indemnify its auditors, Ernst & Young, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young during or since the financial year.

AUDITOR INDEPENDENCE

Section 370C of the Corporation Act 2001 requires our auditors, Ernst & Young, to provide the directors of the Company with an Independence Declaration in relation to the audit of the consolidated financial report. This Independence Declaration is disclosed on page 13 of this report and forms part of this directors' report for the year ended 30 June 2018.

NON AUDIT SERVICES

The Company's auditors, Ernst & Young, provided no non audit services during the year ended 30 June 2018.

TAX CONSOLIDATION

The Company and its subsidiaries form a tax consolidated group.

Signed in accordance with a resolution of the directors.

Mr Anthony Barton
Director

27th September 2018

Ernst & Young
11 Mounts Bay Road
Perth WA 6000 Australia
GPO Box M939 Perth WA 6843

Tel: +61 8 9429 2222
Fax: +61 8 9429 2436
ey.com/au

Auditor's Independence Declaration to the Directors of King River Copper Limited

As lead auditor for the audit of King River Copper Limited for the year ended 30 June 2018, I declare to the best of my knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of King River Copper Limited and the entities it controlled during the financial period.

Ernst & Young

Ernst & Young

Philip Teale
Partner
27 September 2018

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Directors' Declaration

In accordance with a resolution of the directors of King River Copper Limited, I state that:

In the opinion of the directors:

(a) the financial statements and notes of the consolidated entity are in accordance with the *Corporations Act 2001*, including:

> (i) giving a true and fair view of the consolidated entity's financial position as at 30th June 2018 and of its performance for the year ended on that date; and
>
> (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*;

(b) the financial statements and notes also comply with International Financial Reporting Standards as disclosed in Note 2(a); and

(c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable, subject to the matters set out in Note 2(e) to the financial report;

(d) there are reasonable grounds to believe that the Company and the subsidiary identified in Note 5 will be able to meet any obligations or liabilities to which they are or may become subject to, by virtue of the Deed of Cross Guarantee between the Company and that subsidiary; and

(e) this declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the Corporations Act 2001 for the financial year ending 30th June 2018.

On behalf of the Board

Anthony Barton
Director

27th September 2018

Statement of Comprehensive Income

FOR THE YEAR ENDED 30 JUNE 2018

	Notes	Consolidated 2018 $	2017 $
Revenue	6(a)	**931**	453
Other income	6(b)	**151,775**	170,204
Directors' and employee benefits expenses	6(c)	**(313,824)**	(131,400)
Compliance costs		**(156,199)**	(142,000)
Depreciation expense	6(c)	**(9,070)**	(15,680)
Insurance		**(16,028)**	625
Other administration expenses	6(d)	**(372,060)**	(305,198)
Write-off of capitalised exploration expense	6(e)	**(157,328)**	-
Loss before income tax expense		**(871,803)**	(422,996)
Income tax benefit	7	**-**	-
Net loss for the year after tax		**(871,803)**	(422,996)
Other Comprehensive Income		**-**	-
Total Comprehensive Loss for the Year		**(871,803)**	(422,996)
Total Comprehensive Loss for the Year is attributable to:			
Owners of King River Copper Limited		**(871,803)**	(422,996)
		(871,803)	(422,996)
Loss per share			
Basic loss per share (cents per share)	9	**(0.09)**	(0.07)
Diluted loss per share (cents per share)	9	**(0.09)**	(0.07)

The accompanying notes form part of these consolidated financial statements.

Statement of Financial Position

AS AT 30 JUNE 2018

	Notes	Consolidated 2018 $	2017 $
Assets			
Current Assets			
Cash and cash equivalents	10	**4,619,139**	715,516
Trade and other receivables	11	**2,825,568**	34,878
Total Current Assets		**7,444,707**	750,394
Non Current Assets			
Deferred exploration expenditure	13	**12,252,588**	10,176,360
Plant and Equipment	12	**58,281**	64,143
Total Non Current Assets		**12,310,869**	10,240,503
Total Assets		**19,755,575**	10,990,897
Liabilities			
Current Liabilities			
Trade and other payables	14	**543,263**	133,981
Total Current Liabilities		**543,263**	133,981
Total Liabilities		**543,263**	133,981
Net Assets		**19,212,313**	10,856,916
Equity			
Issued capital	15(a)	**39,618,414**	30,560,864
Reserves	15(b)	**1,696,062**	1,526,412
Accumulated losses		**(22,102,163)**	(21,230,360)
Total Equity		**19,212,313**	10,856,916

The accompanying notes form part of these consolidated financial statements.

Statement of Cash Flows

FOR THE YEAR ENDED 30 JUNE 2018

	Notes	Consolidated 2018 $	2017 $
Cash Flows from Operating Activities			
Interest received		**931**	453
Research & Development Tax Rebate		**151,775**	170,204
Payments to suppliers and employees		**(544,829)**	(544,288)
Net cash used in in operating activities	10	**(392,123)**	(373,631)
Cash Flows from Investing Activities			
Payment for exploration and evaluation		**(2,219,171)**	(1,455,187)
Payment for Property, Plant & Equipment		**(3,207)**	(34,995)
Net cash used in investing activities		**(2,222,378)**	(1,490,182)
Cash Flows from Financing Activities			
Proceeds from issue of shares		**3,421,152**	2,141,423
Proceeds from Capital Raising fund (shares to be issued)		**3,250,000**	-
Payment of share issue costs		**(153,028)**	(35,466)
Net cash from financing activities		**6,518,124**	2,105,957
Net increase in cash and cash equivalents		**3,903,623**	242,144
Cash and cash equivalents at beginning of year		**715,516**	473,372
Cash and Cash Equivalents at end of year	10	**4,619,139**	715,516

The accompanying notes form part of these consolidated financial statements.

Statement of Changes in Equity

FOR THE YEAR ENDED 30 JUNE 2018

Consolidated	Issued Capital Note 15(a) $	Equity Benefits Reserve Note 15(b) $	Accumulated Losses $	Total Equity $
At 1 July 2016	28,367,307	1,526,412	(20,807,364)	**9,086,355**
Loss for the year	-	-	(422,996)	**(422,996)**
Total comprehensive income for the year	-	-	(422,996)	**(422,996)**
Transaction with owners in their capacity as owners:				
Issue of Shares – 3rd August 16: Share Purchase Plan	788,230	-	-	**788,230**
Issue of Shares –22nd August 16: Placement	298,400	-	-	**298,400**
Issue of Shares – 3rd May 2017: Conversion of outstanding Directors fees	87,600	-	-	**87,600**
Issue of Shares – 3rd May 2017: Share Purchase Plan	754,793	-	-	**754,793**
Issue of Shares – 3rd May 2017: Placement	300,000	-	-	300,000
Capital Raising Fees net of tax	(35,466)	-	-	**(35,466)**
Balance at 30 June 2017	**30,560,864**	**1,526,412**	**(21,230,360)**	**10,856,916**
At 1 July 2017	30,560,864	1,526,412	(21,230,360)	**10,856,916**
Loss for the year	-	-	(871,803)	**(871,803)**
Total comprehensive income for the year	-	-	(871,803)	**(871,803)**
Transaction with owners in their capacity as owners:				
Issue of Shares – 16th October 2017: Placement	645,000	-	-	**645,000**
Issue of Shares – 3rd November 2017: Placement	355,000	-	-	**355,000**
Issue of Shares – 3rd November 2017: Conversion of Outstanding Director Fees	89,425	-	-	**89,425**
Issue of Shares –12th December 2017: Placement	550,000	-	-	**550,000**
Share Based Payments – 18th January 2018		169,650		**169,650**
Issue of Shares – 2nd February 2018: Placement	1,200,000	-	-	**1,200,000**
Issue of Shares – Options Exercised before 30th June 2018	671,153	-	-	**671,153**
Issue of Shares – 3rd July 2018 (30 June 2018 Options)	6,000,000			**6,000,000**
Capital Raising Fees net of tax	(453,028)	-	-	**(453,028)**
Balance at 30 June 2018	**39,618,414**	**1,696,062**	**(22,102,163)**	**19,212,313**

The accompanying notes form part of these consolidated financial statements.

1. CORPORATE INFORMATION

King River Copper ("King River" or "the Company") is a Company domiciled in Australia and publicly listed on the Australian Stock Exchange (ASX). The Company was incorporated on 28 May 2002. The address of the Company's registered office is 254 Adelaide Tce, Perth WA 6000. The consolidated financial statements as at and for the year ended 30 June 2018 comprise the Company and its subsidiaries (the "Group"). The nature of the operations and principal activities of the Group are described in the Directors' Report.

The consolidated financial report was authorised for issue by the directors on the 27th September 2018 in accordance with a resolution of the directors.

2. BASIS OF PREPARATION

(a) Statement of compliance

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards (AASB's) and the Corporations Act 2001. The consolidated financial report also complies with International Financial Reporting Standards (IFRS's) and interpretations adopted by the International Accounting Standards Board (IASB). The statement of compliance with International Financial Reporting Standards in accordance with AASB 101.

(b) Basis of measurement

Unless stated otherwise, the consolidated financial statements have been prepared on the historical cost basis.

(c) Functional and presentation currency

These consolidated financial statements are presented in Australian dollars, which is the Company's functional currency.

(d) Use of estimates and judgements

The preparation of financial statements in conformity with AASBs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

(e) Going Concern Basis of Preparation

The Group incurred a net loss after income tax of $871,803 for the year ended 30 June 2018 (2017: $422,996) and a net cash inflow of $3,903,623 (2017: inflow of $242,144). As at 30 June 2018 the Group had cash and cash equivalents of $4,619,139 (2017: $715,516) and a net current asset surplus of $6,901,444 (2017: $616,413 surplus). The Group's available cash on 31st August 2018 amounted to $6,024,255.

The Group will require further funding in future years to progress its exploration projects. Based on the Group's cash flow forecast the Board of Directors is aware of the Group's need to access additional working capital in the future to enable the Group to continue its normal business activities and to ensure the realisation of assets and extinguishment of liabilities as and when they fall due, including progression of its exploration interests.

The directors are satisfied that at the date of signing of the financial report, there are reasonable grounds to believe that the Group will be able to continue to meet its debts as and when they fall due and that it is appropriate for the financial statements to be prepared on a going concern basis. The directors have based this on the following pertinent matters:

- The Group has the capacity, if necessary, to reduce its operating cost structure in order to minimise its working capital requirements;
- The Group retains the ability, if required, to wholly or in part dispose of interests in mineral exploration assets.
- The directors regularly monitor the Group's cash position and, on an on-going basis, consider a number of strategic initiatives to ensure that adequate funding continues to be available.
- The Directors have determined that future equity raisings will be required to provide funding for the Group's activities and to meet the Group's objectives.
- The Directors believe that future funding will be available to meet the Group's objectives and debts as and when they fall due.

Should the Group not achieve the matters set out above, there is uncertainty whether it will be able to continue as a going concern and therefore whether it will be able to pay its debts as and when they fall due and realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial statements.

The financial report does not include any adjustments relating to the recoverability or classification of recorded asset amounts, or to the amounts or classification of liabilities that might be necessary should the Group not be able to continue as a going concern.

(f) Changes in accounting policies

From 1 July 2017 the Group has adopted Standards and Interpretations, mandatory for annual periods beginning on or after 1 July 2017, as applicable to the Group. The application of these Standards and Interpretations' do not have any material impact on the financial position or performance of the Group.

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective, have not been adopted by the Group for the annual reporting period ending 30 June 2018.

The Group has reviewed these standards and interpretations, and they are tabled below:

Standard	Description	Effective Date	Application date for the Group
AASB 9	**Financial Instruments** AASB 9 replaces AASB 139 *Financial Instruments: Recognition and Measurement*. Except for certain trade receivables, an entity initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Debt instruments are subsequently measured at fair value through profit or loss (FVTPL), amortised cost, or fair value through other comprehensive income (FVOCI), on the basis of their contractual cash flows and the business model under which the debt instruments are held. There is a fair value option (FVO) that allows financial assets on initial recognition to be designated as FVTPL if that eliminates or significantly reduces an accounting mismatch. Equity instruments are generally measured at FVTPL. However, entities have an irrevocable option on an instrument-by-instrument basis to present changes in the fair value of non-trading instruments in other comprehensive income (OCI) without subsequent reclassification to profit or loss. For financial liabilities designated as FVTPL using the FVO, the amount of change in the fair value of such financial liabilities that is attributable to changes in credit risk must be presented in OCI. The remainder of the change in fair value is presented in profit or loss, unless presentation in OCI of the fair value change in respect of the liability's credit risk would create or enlarge an accounting mismatch in profit or loss. All other AASB 139 classification and measurement requirements for financial liabilities have been carried forward into AASB 9, including the embedded derivative separation rules and the criteria for using the FVO. The incurred credit loss model in AASB 139 has been replaced with an expected credit loss model in AASB 9. The requirements for hedge accounting have been amended to more closely align hedge accounting with risk management, establish a more principle-based approach to hedge accounting and address inconsistencies in the hedge accounting model in AASB 139. The Group has assessed the new standard and concluded that there will be no significant impact.	1 January 2018	1 July 2018
AASB 15	**Revenue from Contracts with Customers** AASB 15 replaces all existing revenue requirements in Australian Accounting Standards (AASB 111 *Construction Contracts*, AASB 118 *Revenue*, AASB Interpretation 13 *Customer Loyalty Programmes*, AASB Interpretation 15 *Agreements for the Construction of Real Estate*, AASB Interpretation 18 *Transfers of Assets from Customers* and AASB Interpretation 131 *Revenue – Barter Transactions*	1 January 2018	1 July 2018

	Involving Advertising Services) and applies to all revenue arising from contracts with customers, unless the contracts are in the scope of other standards, such as AASB 117 (or AASB 16 *Leases*, once applied). The core principle of AASB 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with the core principle by applying the following steps: ► Step 1: Identify the contract(s) with a customer ► Step 2: Identify the performance obligations in the contract ► Step 3: Determine the transaction price ► Step 4: Allocate the transaction price to the performance obligations in the contract ► Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation. The Group has assessed the new standard and concluded that there will be no significant impact.		
AASB 16	**Leases** AASB 16 requires lessees to account for all leases under a single on-balance sheet model in a similar way to finances leases under AASB 117 *Leases*. The Standard includes two recognition exemptions for lessees – leases of 'low-value' assets (eg, personal computers) and short-term leases (eg, leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (eg, the lease liability) and an asset representing the right to use the underlying asset during the lease term (eg, the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessees will be required to remeasure the lease liability upon the occurrence of certain events (eg, a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset. Lessor accounting is substantially unchanged from today's accounting under AASB 117. Lessors will continue to classify all leases using the same classification principle as in AASB 117 and distinguish between two types of leases: operating and finance leases. The Group is currently evaluating the impact of the new standard.	1 January 2019	1 July 2019
AASB Interpretation 22	**Foreign Currency Transactions and Advance Consideration** The Interpretation clarifies that in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine a date of the transaction for each payment or receipt of advance consideration. The Group has assessed the new standard and concluded that there will be no significant impact.	1 January 2018	1 July 2018

AASB Interpretation 23	**Uncertainty over Income Tax Treatment** The Interpretation clarifies the application of the recognition and measurement criteria in AASB 112 Income Taxes when there is uncertainty over income tax treatments. The Interpretation specifically addresses the following: ► Whether an entity considers uncertain tax treatments separately ► The assumptions an entity makes about the examination of tax treatments by taxation authorities ► How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates ► How an entity considers changes in facts and circumstances. The Group is currently evaluating the impact of the new standard.	1 January 2018	1 July 2018

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Principles of Consolidation

The consolidated financial report comprises the financial statements of King River Copper Limited and its controlled entities (the "Group" or "consolidated entity"). King River Copper Limited's controlled entities are the wholly owned companies Speewah Mining Pty Ltd, Treasure Creek Pty Ltd, Kimberley Gold Pty Ltd and Whitewater Minerals Pty Ltd. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with its investee and has ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has;

- Power over the investee (eg, existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including;

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary. Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All inter-company balances and transactions between entities in the consolidated entity, including any unrealised profits or losses, have been eliminated on consolidation.

Where controlled entities have entered or left the consolidated entity during the year, their operating results have been included/excluded from the date control was obtained, or until the date control ceased. There are no minority interests in the equity of the controlled entity.

(b) Income Tax and Other Taxes

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the current period's taxable income. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date. Deferred income tax is provided for on all temporary differences at balance date between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except when the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that,

3. SIGNIFICANT ACCOUNTING POLICIES continued

at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or

- when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each financial year end and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and deferred tax liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance date.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

Tax consolidation legislation

The Company and its' subsidiary have formed a tax consolidated group. The consolidated financial statements have been prepared on this basis of the formation of a consolidated group.

The Company and its' subsidiaries have implemented the tax consolidation legislation as of 1 July 2004.

The head entity, King River and the subsidiary in the tax consolidated group continue to account for their own current and deferred tax amounts. The Group has applied the group allocation approach in determining the appropriate amount of current taxes and deferred taxes to allocate to members of the tax consolidated group.

In addition to its own current and deferred tax amounts, King River also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated group.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

(c) Trade and other receivables

Trade receivables, which generally have 30-90 day terms, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less an allowance for any uncollectible amounts.

Collectability of trade receivables is reviewed on an ongoing basis. Debts that are known to be uncollectible are written off when identified. An allowance for doubtful debts is raised when there is objective evidence that the Group will not be able to collect the debt. Financial difficulties of the debtor, default payments or debts more than 60 days overdue are considered objective evidence of impairment. The amount of the impairment loss is the receivable carrying amount compared to the present value of estimated future cash flows, discounted at the original effective interest rate.

(d) Plant and Equipment

Each class of plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment losses.

Plant and Equipment

Plant and equipment are measured on the cost basis less accumulated depreciation and impairment losses.

Subsequent costs are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

3. SIGNIFICANT ACCOUNTING POLICIES continued

Impairment

Carrying values of assets are reviewed at each financial year end to determine whether there are any objective indicators of impairment that may indicate the carrying values may not be recoverable in whole or in part.

Where an asset does not generate cash flows that are largely independent it is assigned to cash generating unit and the recoverable amount test applied to the cash generating unit as a whole.

Recoverable amount is determined as the greater of fair value less costs to sell and value in use. The assessment of value in use considers the present value of future cash flows discounted using an appropriate pre-tax discount rate reflecting the current market assessments of the time value of money and risks specific to the asset.

An impairment exists if the carrying value of the asset is determined to be in excess of its recoverable amount, in which case the asset or cash generating unit is written down to its recoverable amount.

Depreciation

The depreciable amount of plant and equipment is depreciated on a straight line basis over their useful lives to the Group commencing from the time the asset is held ready for use. The depreciation rates used for each class of depreciable assets are on the next page:

Class of Fixed Asset	Depreciation Rate
Plant and equipment	10-50%

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement.

(e) Financial Assets

Other financial assets in the scope of AASB 139 Financial Instruments: Recognition and Measurement are categorised as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available for sale financial assets. The classification depends on the purpose for which the investments were acquired. Designation is re-evaluated at each financial year end, but there are restrictions on reclassifying to other categories.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of assets not at fair value through profit or loss, directly attributable transaction costs.

Recognition and Derecognition

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date that the consolidated entity commits to purchase the asset. Regular way purchases or sales are purchases or sales of financial assets under contracts that require delivery of the assets within the period established generally by regulation or convention in the market place. Financial assets are derecognised when the right to receive cash flows from the financial assets have expired or been transferred.

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired. These are included in current assets, except for those with maturities greater than 12 months after balance date, which are classified as non-current.

(f) Shares in controlled entities

Investments in controlled entities are measured at cost. The Company assesses whether it is necessary to recognise any impairment loss in the investment in subsidiaries following any significant changes in the underlying assets or operations of the relevant subsidiary.

(g) Exploration and Evaluation Expenditure

Expenditure on exploration and evaluation is accounted for in accordance with the 'area of interest' method.

Exploration and evaluation expenditure is capitalised provided the rights to tenure of the area of interest is current and either:

- the exploration and evaluation activities are expected to be recouped through successful development and exploitation of the area of interest or, alternatively, by its sale; or
- exploration and evaluation activities in the area of interest have not at the reporting date reached a stage that permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or relating to, the area of interest are continuing.

3. SIGNIFICANT ACCOUNTING POLICIES continued

When the technical feasibility and commercial viability of extracting a mineral resource have been demonstrated then any capitalised exploration and evaluation expenditure is reclassified as capitalised mine development. Prior to reclassification, capitalised exploration and evaluation expenditure is assessed for impairment.

Impairment

The carrying value of capitalised exploration and evaluation expenditure is assessed for impairment at the cash generating unit level whenever facts and circumstances suggest that the carrying amount of the asset may exceed its recoverable amount.

An impairment exists when the carrying amount of an asset or cash-generating unit exceeds its estimated recoverable amount. The asset or cash-generating unit is then written down to its recoverable amount. Any impairment losses are recognised in the income statement.

(h) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short term highly liquid investments. Bank overdrafts are shown within short term borrowings in current liabilities on the balance sheet.

For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

(i) Trade and Other Payables

Trade payables and other payables are carried at amortised cost and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services.

(j) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the balance sheet date. If the effect of the time value of money is material, provisions are discounted using a pre-tax rate that reflects the time value of money and the risks specific to the liability. The increase in the provision resulting from the passage of time is recognised in finance costs.

(k) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue is capable of being reliably measured. Interest revenue is recognised as interest accrues using the effective interest method.

(l) Goods and Services Tax ("GST")

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(m) Share Based Payment Transactions

Equity settled transactions

The Group provides benefits to directors and employees (including senior executives) of the Group in the form of share based payments, whereby employees render services in exchange for shares or rights over shares (equity settled transactions).

The cost of these equity settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value of shares is determined by the price on grant date and of options using the Black & Scholes model, further details of which are given in Note 17. In valuing equity settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of King River (market conditions) if applicable.

3. SIGNIFICANT ACCOUNTING POLICIES continued

The cost of equity settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the vesting period).

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the Group's best estimate of the number of equity instruments that will ultimately vest. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The income statement charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition.

If the terms of an equity settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification. If an equity settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph. The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

(n) Employee Benefits

Wages, salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled.

Long service leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee, departures, and period of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

(o) Contributed Equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(p) Earnings Per Share

Basic earnings per share is calculated as net profit attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends), divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share is calculated as net profit attributable to members of the parent, adjusted for:

- costs of servicing equity (other than dividends);
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares;

divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element. Losses have an anti-dilutive effect. Therefore the basic and diluted earnings for the current and prior period have remained the same.

(q) Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

(i) Group as a lessee

Finance leases, which transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease

3. SIGNIFICANT ACCOUNTING POLICIES continued

payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised as an expense in profit or loss. Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term.

Operating lease payments are recognised as an expense in the income statement on a straight-line basis over the lease term. Operating lease incentives are recognised as a liability when received and subsequently reduced by allocating lease payments between rental expense and reduction of the liability.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

(a) Significant accounting judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the consolidated financial statements:

(i) *Capitalisation of exploration and evaluation expenditure*

Under AASB 6 *Exploration for and Evaluation of Mineral Resources*, the Group has the option to either expense exploration and evaluation expenditure as incurred, or to capitalise such expenditure (provided certain conditions are satisfied). The Group has elected, when the conditions in AASB 6 are met, to capitalise these costs.

(b) Significant accounting estimates and assumptions

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events and are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities with the next annual reporting period are:

(i) Determination of mineral resources and ore reserves

The Group's policy for estimating its mineral resources and ore reserves requires that the Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves 2004 (the 'JORC code') be used as a minimum standard.

The information on mineral resources and ore reserves were prepared by or under the supervision of Competent Persons as defined in the JORC code. The amounts presented are based on the mineral resources and ore reserves determined under the JORC code. There are numerous uncertainties inherent in estimating mineral resources and ore reserves and assumptions that are valid at the time of estimation may change significantly when new information becomes available.

(ii) Share based payment transactions

The Group measures the cost of equity settled transactions with employees and suppliers by reference to the fair value of the equity instrument at the date at which they are granted. The fair value is determined by using a Black and Scholes model, using the assumptions detailed in Note 17. The accounting estimates and assumptions relating to equity settled share based payments would have no impact on the carrying amounts of the assets and liabilities within the next annual reporting period but may impact income and expenses.

(*iii*) *Impairment of capitalised exploration and evaluation expenditure*

The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the Group decides to exploit the related lease itself or, if not, whether it successfully recovers the related exploration and evaluation asset through sale. To the extent that capitalised exploration and evaluation expenditure is determined not to be recoverable in the future, profits and net assets will be reduced in the period in which this determination is made. In addition, exploration and evaluation expenditure is capitalised if activities in the area of interest have not yet reached a stage that permits a reasonable assessment of the existence or otherwise of economically recoverable reserves. To the extent it is determined in the future that this capitalised expenditure should be written off, profits and net assets will be reduced in the period in which this determination is made.

5. PARENT ENTITY INFORMATION

	Parent 2018 $	2017 $
Current Assets	**7,146,363**	596,881
Non-current Assets	**23,980,473**	10,155,196
Total Assets	**31,126,836**	10,752,077
Current Liabilities	**435,081**	87,803
Non-current Liabilities	**-**	-
Total Liabilities	**435,081**	87,803
Contributed Equity	**39,618,414**	30,560,864
Accumulated Losses	**(10,622,721)**	(21,423,002)
Option Reserve	**1,696,062**	1,526,412
Total Equity	**30,691,755**	10,664,274
Profit / (Loss) for the year	**(703,829)**	(404,835)
Total Comprehensive loss for the year	**(703,829)**	(404,835)

Guarantees

As a condition of the Corporations Instrument 2016/785, King River Copper Limited and Speewah Mining Pty Ltd (The "Closed Group") have entered into a deed of cross guarantee. The effect of the deed is that King River Copper Limited has guaranteed to pay any deficiency in the event of winding up of the controlled entity or if it does not meet its obligations under the terms of overdrafts, loans, leases or other liabilities subject to the guarantee. The controlled entity have also given a similar guarantee in the event that King River Copper Limited is wound up or if it does not meet its obligations under the terms of overdrafts, loans, leases or other liabilities subject to the guarantee.

	Consolidated 2018 $	2017 $
6. REVENUES AND EXPENSES		
(a) Revenue		
Interest	**931**	453
(b) Other Income		
Research & Development Tax Rebate	**151,775**	170,204
(c) Expenses		
Depreciation – plant and equipment	**(9,070)**	(15,680)
Directors' and employee benefits expenses:		
- wages and fees	**(140,374)**	(127,600)
- superannuation contribution expense	**(3,800)**	(3,800)
- share based payments	**(169,650)**	-
	(313,824)	(131,400)
(d) Other administration expenses		
Administration and book keeping fees	**(96,142)**	(98,780)
Travel and accommodation	**(20,615)**	(15,008)
Advertising and marketing	**(72,753)**	(33,000)
Office expenses	**(109,456)**	(115,052)
Other expenses	**(73,094)**	(43,358)
	(372,060)	(305,198)

(e) Tenement Expenses

Tenement licence E80/4740 was surrendered as at 24 June 2018. $157,328 are the capitalised tenement costs incurred up until 24 June 2018 and written off.

	Consolidated 2018 $	Consolidated 2017 $
7. INCOME TAX		
(a) The components of tax expense comprise:		
Current income tax		
Current income tax expense / (benefit)	-	-
Deferred income tax		
Relating to the origination and reversal of temporary differences	-	-
Adjustments in respect of deferred income tax of previous years	-	-
Total income tax expense from continuing operations	-	-
(b) The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax expense as follows:		
Profit / (Loss) Before Income Tax	**(871,803)**	(422,996)
Prima facie tax payable on profit from ordinary activities before income tax at 27.5% (2017: 27.5%)	**(239,746)**	(116,324)
Add:		
Tax Effect of:		
- Movement in deferred tax assets not brought to account	**370,397**	159,314
- Movement in prior year tax losses not brought to account	**(180,264)**	-
- Research and Development adjustment	**(41,738)**	(46,806)
- Late Fees	**266**	46
- Share based payments	**46,654**	-
- Donations	-	275
- Tenement write off	**43,265**	-
- Superannuation	**805**	2,313
- Entertainment	**721**	1,182
	-	-
Deferred Tax Assets and Liabilities		
Deferred Tax Assets		
Capital raising costs	**85,983**	69,390
Tax losses	**6,965,495**	6,590,210
Less: tax losses foregone in lieu of Exploration Development Incentive claim in relation to the 2017 financial year	**(401,906)**	(221,156)
Provisions	-	392
Accrued expenses	**7,904**	6,325
DTA to offset DTL	**(3,372,978)**	(2,790,265)
Deferred tax assets not brought to account	**(3,284,500)**	(3,654,897)
	-	-
Deferred Tax Liabilities		
Exploration	**(3,368,462)**	(2,788,310)
Fixed assets	**(4,515)**	(1,955)
Deferred tax assets to offset DTL	**3,372,978**	(2,790,265)
	-	-

The Company and its subsidiary form a tax consolidated group. The consolidated financial statements have been prepared on this basis of the formation of a consolidated group. The above DTA amounts are not recognised in the accounts on the basis the Company does not meet the DTA recognition test, as profits are not forecast for the period ended 30 June 2018.

The Company issued $401,906 (2017: $221,156) Exploration Development Incentive (EDI) tax credits to shareholders which resulted in a reduction of the Company's carried forward tax losses of $1,461,476 (2017: $804,202). The EDI enables eligible exploration companies to create exploration credits by giving up a portion of their tax losses from greenfields mineral exploration and distributing these exploration credits to equity shareholders. Australian resident shareholders that are issued with an exploration credit will be entitled to a refundable tax offset or additional franking credits. The exploration Company's carry forward losses are reduced proportionately to reflect the amount of exploration credits created.

8. SEGMENT REPORTING

The Consolidated Entity operates in one geographical area being Australia and one industry, being exploration for the year to 30 June 2018. The Chief Operating Decision Makers are the Board of Directors and management of the Group. There is only one operating segment identified being exploration activities in Australia based on internal reports reviewed by the Chief Operating Decision Makers in assessing performance and allocation of resources.

The accounting policies applied for internal reporting purposes are consistent with those applied in the preparation of the financial statements.

	Consolidated	
	2018	2017
	$	$
9. LOSS PER SHARE		
Loss used in calculation of basic and diluted earnings per share	(871,803)	(422,996)
	Number	Number
Weighted average number of ordinary shares for the purposes of basic earnings per share	**997,835,997**	649,713,411
Effect of dilution - share options	**-**	-
Weighted average number of ordinary shares adjusted for effect of dilution	**997,835,997**	649,713,411

As at 30 June 2018 the Company has 8,800,000 unlisted Directors' and Employees Options (2017: 5,550,000) and nil listed options on issue. The listed options expired at 30 June 2018 (2017: 124,410,167 on issue). These options are not considered to be dilutive as the conversion of the options to ordinary shares will decrease the loss per share.

On the 2nd July 2018 the Company issued 60,000,000 ordinary shares at $0.10 for the underwriting commitment of options expired on 30 June 2018. On 19 July 2018 the Company issued 412,877,897 free bonus options to all eligible shareholders. Bonus Options are exercisable at $0.12 each with an expiry date of 31 July 2020. These shares and options are not considered to be dilutive as the issue of the shares and conversion of the options to ordinary shares will decrease the loss per share. There have been no other transactions involving ordinary shares or potential ordinary shares subsequent to the balance date that would significantly change the number of ordinary shares or potential ordinary shares outstanding for the reporting period.

	Consolidated	
	2018	2017
	$	$
10. CASH AND CASH EQUIVALENTS		
(i) Cash and cash equivalents balance		
Cash at bank and on hand	**4,619,139**	715,516
	4,619,139	715,516

Cash at bank earns interest at floating rates based on daily bank deposit rates. The Company received Capital Raising Funds in advance in the amount of $3,250,000 for the underwriting commitments with unrelated parties for the underwriting of the exercise of 30 June 2018 options. These funds are included in the cash and cash equivalents balance. The underwriting shares were issued on 3 July 2018.

10. (ii) Reconciliation of net loss after tax to net cash flows from operations

Profit/(Loss) for the year	**(871,803)**	(422,996)
Share-based payments	**169,650**	-
Depreciation	**9,070**	15,680
Capitalise Exploration Cost written off	**157,328**	-
Increase/(decrease) in liabilities:		
– current payables	**143,632**	33,685
Net Cash flow used in Operating Activities	**(392,123)**	(373,631)

11. TRADE AND OTHER RECEIVABLES

GST recoverable	**75,568**	34,878
Cash owing from underwriters in relation to 30 June 2018 securities	**2,750,000**	-
	2,825,568	34,878

(a) Allowance for impairment loss

Trade and other receivables which are primarily from the ATO are non-interest bearing and are generally paid on 30 day settlement terms. $2,750,000 is cash owing for the underwriting commitments with unrelated parties for the underwriting of the exercise of 30 June 2018 options. The underwriting shares were issued on 3 July 2018. Trade and other receivables are neither past due nor impaired at 30 June 2018 and 30 June 2017.

(b) Fair value

Due to the short term nature of the other receivables, their carrying value is assumed to approximate their fair value

12. PLANT AND EQUIPMENT

Cost	**105,142**	101,934
Accumulated depreciation	**(46,861)**	(37,791)
Net carrying amount	**58,281**	64,143
At beginning of year, net accumulated depreciation	**64,143**	44,828
Acquired	**3,208**	34,995
Disposals	**-**	-
Depreciation charge for the year	**(9,070)**	(15,680)
At end of year, net accumulated depreciation	**58,281**	64,143

The useful life of the assets was estimated between 3 and 20 years for 2018.

13. DEFERRED EXPLORATION EXPENDITURE

Costs carried forward in respect of:

Explorations and Evaluations Phase – At Cost		
Balance at beginning of the year	**10,176,360**	8,690,973
Expenditure incurred	**2,233,556**	1,485,387
Capitalise Tenement cost written off	**(157,328)**	
Total Exploration Expenditure	**12,252,588**	10,176,360

The recoupment of costs carried forward in relation to areas of interest in the exploration and evaluation phases are dependent on the successful development and commercial exploitation or sale of the respective areas. As at 30 June 2018 there are no indicators of impairment under AASB 6 related to Deferred Exploration Expenditure.

	Consolidated	
	2018	2017
	$	$
14. TRADE AND OTHER PAYABLES		
Trade payables	**543,263**	133,981

Trade payables and other creditors are non interest bearing and are normally settled on 30 day terms. Due to the short term nature of these payables, their carrying value is assumed to approximate their fair value.

15. CONTRIBUTED EQUITY AND RESERVES

(a) Contributed Equity - Consolidated

	2018	
	Number	**$**
Issued capital at beginning of year as at 1 July 2017	**867,703,934**	30,560,864
Fully paid ordinary shares carry one vote per share and carry the right to dividends		
Movements in ordinary shares on issue		
Issue of Shares – 16 October 2017: Placement	**129,000,000**	645,000
Issue of Shares – 3 November 2017: Placement	**71,000,000**	355,000
Issue of Shares – 3 November 2017: Conversion of Outstanding Director Fees	**12,774,999**	89,425
Issue of Shares –12 December 2017: Placement	**50,000,000**	550,000
Issue of Shares – 2 February 2018: Placement	**40,000,000**	1,200,000
Issue of Shares – Options Exercised before 30 June 2018	**6,711,512**	671,153
Issue of Shares – 3 July 2018 (30 June 2018 Options)	**60,000,000**	6,000,000
Capital Raising Fees net of tax		(453,028)
Issued capital at end of year as at 30 June 2018	**1,237,190,445**	39,618,414

Movement in options on issue	**Number**	**Exercise Price**
Listed Options on Issue as at 1 July 2017	**124,410,168**	10 cents
Exercised - on or before 30 June 2018	**(6,711,512)**	10 cents
Exercised - 3 July 2018	**(896,117)**	10 cents
Exercised - 4 July 2018	**(515,000)**	10 cents
Exercised - 5 July 2018	**(26,605)**	10 cents
Expired - 30 June 2018	**(116,260,934)**	10 cents
Listed Options on Issue as at 30 June 2018	**-**	-

Unlisted Options on Issue as at 1 July 2017	**5,550,000**	3,000,000 @ 10c 2,550,000 @ 20c
Expired - 30 November 2017	**(1,250,000)**	1,250,000 @ 10c
Issued - 18 January 2018	**4,500,000**	4,500,000 @ 10c
Options on Issue as at 30 June 2018	**8,800,000**	6,250,000 @ 10c 2,550,000 @ 20c

15. (a) Contributed Equity – Consolidated continued

	2017	
	Number	**$**
Issued capital at beginning of year as at 1 July 2016	**423,779,657**	28,367,307
Fully paid ordinary shares carry one vote per share and carry the right to dividends		
Movements in ordinary shares on issue		
Issued 3rd August 16 for Cash in Share Purchase Plan	**127,133,897**	788,230
Issued 22nd August 16 for Cash in Placement	**48,129,032**	298,400
Issued 3rd May 2017 as converted outstanding Directors Fees	**17,520,000**	87,600
Issued 3rd May 17 for Cash in Placement	**71,428,572**	300,000
Issued 3rd May 17 for Cash in Share Purchase Plan	**179,712,776**	754,793
Transaction Costs on Share Issue net of tax	**-**	(35,466)
Issued capital at end of year as at 30 June 2017	**867,703,934**	30,560,864

Movement in options on issue	Number	Exercise Price
Listed Options on Issue as at 1 July 2016	**124,410,168**	10 cents
Listed Options on Issue as at 30 June 2017	**124,410,168**	10 cents
Unlisted Options on Issue as at 1 July 2016	**5,550,000**	3,000,000 @ 10c 2,550,000 @ 20c
Options on Issue as at 30 June 2017	**5,550,000**	

There were no other significant movements in equity after the 2018 reporting period until the lodgement of this report.

Terms and conditions of contributed equity

Ordinary shares

Ordinary shares have the right to receive dividends as declared and, in the event of winding up the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held. On a show of hands, every holder of ordinary shares present at a meeting in person or by proxy is entitled to one vote, and upon a poll each share is entitled to one vote.

As per the Corporations Act 2001 the Company does not have authorised capital and ordinary shares do not have a par value.

15(b) Reserves

	Equity Benefits Reserve $
Reserves	
At 30 June 2015	1,510,429
Share-based payments	15,983
At 30 June 2016	1,526,412
Share – based payments	-
At 30 June 2017	1,526,412
Share – based payments	169,650
At 30 June 2018	1,696,062

Nature and Purpose of Equity Benefits Reserve

This reserve is used to record the value of equity benefits provided to directors, employees and external service providers as part of their fees and remuneration.

During the 2016 year, the following options were issued by the Company:

- 1,750,000 unlisted options exercisable at $0.10 on or before 30th November 2018 were issued to contractors and employees of the Company. These options all vested immediately.

During the 2018 year, the following options expired and were issued by the Company:

- 1,250,000 unlisted options exercisable at $0.10 expired 30 November 2017.
- 4,500,000 unlisted options exercisable at $0.10 on or before 30th June 2020 were issued to contractors and employees of the Company. These options all vested immediately.

	Consolidated	
	2018 **$**	2017 $

16. COMMITMENTS

(a) Exploration Expenditure Commitment

In order to maintain the Company's interest in mining tenements, the Company is committed to meet the minimum expenditure conditions under which the tenements were granted. These amounts change annually and are also based on whether term of extensions are granted for each tenement.

	2018 $	2017 $
Within 1 year	**907,000**	817,112

17. SHARE BASED PAYMENTS

(a) Recognised share-based payment expenses

The expense recognised in the Statement of Comprehensive Income in relation to share-based payments is disclosed in Note 6.

(b) General terms of share-based payment plans

For the year ended 30 June 2018, 4,500,000 unlisted options exercisable at $0.10 on or before 30th June 2020 were issued to contractors and employees of the company. These options all vested immediately.

(c) Summaries of options granted

The following table illustrates the number and weighted average exercise prices (WAEP) and movements of share options issued during the year to contractors & employees.

	2018		2017	
	Number	**WAEP**	Number	WAEP
Options outstanding at the beginning of the year	**5,550,000**	**0.15**	**5,550,000**	**0.15**
Granted during the year	**4,500,000**	**0.10**	**-**	**-**
Converted during the year	**-**	**-**	**-**	**-**
Expired during the year	**(1,250,000)**	**0.10**	**-**	**-**
Outstanding at the end of the year	**8,800,000**	**0.13**	**5,550,000**	**0.15**
Exercisable at the end of the year	**8,800,000**	**0.13**	**5,550,000**	**0.15**

There were 8,800,000 options issued or exercisable as at 30 June 2018 (2017: 5,550,000).

On the 18th January 2018, the Company granted 4,500,000 options over ordinary shares to contractors and employees, with an exercise price of $0.10, exercisable until 30th June 2020. All of these options vested immediately.

(d) Weighted average remaining contractual life

The weighted average remaining contractual life for the options outstanding as at 30 June 2018 is 1.40 years (2017: 1.19 years).

(e) Range of exercise price and weighted average share price at the date of exercise

The exercise price for options outstanding at the end of the year was:

Options	**2018**	**2017**
Class J (1,250,000)	-	0.10
Class L (2,550,000)	0.20	0.20
Class M (1,750,000)	0.10	0.10
Class M (4,500,000)	0.10	-

There were no options exercised during the 2018 financial year and Class J 1,250,000 options expired 30 November 2017.

(f) Weighted average fair value

The weighted average fair value of options granted during the year was $0.13 cents. There were no options granted during the previous year ended 30 June 2017.

(g) Option pricing model

The fair value of the equity-settled share options granted under the option plan is estimated as at the date of grant using a Black-Scholes model taking into account the terms and conditions upon which the options were granted.

The following table lists the inputs to the model used for the years ended 30 June 2018. Please note there were no options granted during the year ended 30 June 2017:

Grant Date	18 January 2018
Options Issued	4,500,000
Volatility (%)	**176**
Risk free interest rate (%)	**2.07**
Discount rate (%)	**0.94**
Historic share price previous to grant date (cents)	**0.05**
Expected life of options (months)	**20**
Options exercise price (cents)	**10**

The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. No other features of options granted were incorporated into the measurement of fair value.

18. FINANCIAL RISK MANAGEMENT

The Group's principal financial instruments comprise of cash and short term deposits. The Group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations.

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in notes 10, 11, and 14 to the consolidated financial statements.

The Group manages its exposure to a variety of financial risks: market risk (including commodity risk and interest rate risk), credit risk, liquidity risk and cash flow interest rate risk in accordance with the approved Group policies.

Primary responsibility for the identification and control of financial risks rests with the Board. The Board reviews and agrees policies for managing each of the risks identified.

The Group uses different methods to measure and manage different types of risks to which it is exposed. These include monitoring levels of exposure to interest rate and foreign exchange risk and assessment of market forecast for interest rate and foreign exchange. The Group manages credit risk by only dealing with recognised, creditworthy, third parties and liquidity risk is monitored through the development of future rolling cash flow forecasts.

Commodity price risk

The Group's policy is to sell its commodity products at current market prices. Once in production the Group expects to have an exposure to commodity price risk associated with the production and sale of vanadium and fluorite. Presently the Group is not exposed to commodity price risk.

Interest rate risk

The Group's current exposure to the risk of changes in market interest rates relate primarily to cash assets rates and is managed by the Board in accordance with the approved investment policy. This policy defines maximum exposures and credit ratings limits.

The Group does not account for fixed rate financial assets and liabilities at fair value through profit or loss.

During the financial year the Group has managed its cash assets by entering into a fixed interest term deposits to maximise its cash balance.

The group does not have any material exposure to interest rate risk as at 30 June 2018.

Foreign currency risk

The Group has no material transactional foreign currency exposure.

Credit risk

Credit risk arises in the event that counterparty will not meet its obligations under a financial instrument leading to financial losses. The Group is exposed to credit risk from its operating activities, financing activities including deposits with banks and receivables.

The credit risk control procedures adopted by the Group is to assess the credit quality of the institution with whom funds are deposited or invested, taking into account its financial position and past experiences. Investment limits are set in accordance with limits set by the Board based on the counterparty credit rating. The limits are assigned to minimise concentration of risks and mitigate financial loss through potential counterparty failure. The compliance with credit limits is regularly monitored as part of day-to-day operations. Any credit concerns are highlighted to senior management.

As the Group is yet to commence mining operations it has no significant exposure to customer credit risk. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets in the Statement of Financial Position.

Credit Quality of Financial Assets

	S&P Credit rating				
	AAA	**A1+**	**A1**	**A2**	**Unrated**
	$	**$**	**$**	**$**	**$**
Consolidated as at 30 June 2018					
Cash and cash equivalents	-	4,619,139	-	-	-
Other Financial Assets	-	-	-	-	-
Trade and Other Receivables	75,568	-	-	-	2,750,000
Consolidated as at 30 June 2017					
Cash and cash equivalents	-	715,516	-	-	-
Other Financial Assets	-	-	-	-	-
Trade and Other Receivables	32,955	-	-	-	-

Liquidity risk

The responsibility for liquidity risk management rests with the Board of Directors.

The Group manages liquidity risk by maintaining sufficient cash to meet the operating requirements of the business and investing excess funds in highly liquid short term investments. The Group's liquidity needs can be met through a variety of sources, including: cash generated from interest accrued on cash balances, short and long term borrowings and issue of equity instruments. Alternatives for sourcing our future capital needs include our current cash position, future operating cash flow, project debt financings and equity raisings. These alternatives are evaluated to determine the optimal mix of capital resources for our capital needs.

As at 30 June 2018 and 30 June 2017, the Group's financial liabilities have contractual terms of less than 6 months.

Capital risk management

The Group's capital comprises share capital, reserves less accumulated losses amounting to $19,212,313 at 30 June 2018 (2017: $10,856,916). The Group's capital management objectives are:

- To safeguard the business as a going concern;
- To maximise potential returns for shareholders through minimising dilution; and
- To retain an optimal debt to equity balance in order to minimise the cost of capital.

The Group may issue new shares or sell assets to reduce debts in order to maintain the optimal capital structure.

19. GROUPS INFORMATION

The consolidated financial statements include the financial statements of King River Copper Limited and its subsidiaries:

	Country of Incorporation	**% Equity Interest 2018**	2017
Speewah Mining Pty Ltd	Australia	**100**	100
Treasure Creek Pty Ltd (incorporated 11th May 2017)	Australia	**100**	100
Kimberley Gold Pty Ltd (incorporated 12th June 2018)	Australia	**100**	-
Whitewater Minerals Pty Ltd (incorporated 13th June 2018)	Australia	**100**	-

20. EVENTS AFTER THE BALANCE SHEET DATE

- On the 2nd July 2018 the Company received $2,750,000 for the balance of the underwriting commitments with unrelated parties for the underwriting of the exercise of the 30 June 2018 options. The Company received $3,250,000 in advance (before 30 June 2018) for the underwriting commitment. On 3 July 2018 the Company issued 60,000,000 ordinary shares at $0.10 for the underwriting commitment. At balance date, $6,000,000 in relation to these ordinary shares has been included in Issued Capital.
- On 19 July 2018 the Company issued 412,877,897 free bonus options to all eligible shareholders. Bonus Options are exercisable at $0.12 each with an expiry date of 31 July 2020.

- On 13 August 2018 the Company announced to shareholders that the Company has embarked on an internal corporate restructure. The Mt Remarkable gold discovery and other Western Australian copper/gold tenements and applications held outside the boundary of the Speewah Dome will be placed into a new 100% owned subsidiary called Kimberley Gold Pty Ltd. The existing subsidiary, Speewah Mining Pty Ltd, will continue to own 100% of the Vanadium, Titanium, Iron, Fluorspar projects.

There were no other matters or circumstance that arose that has significantly affected, or may significantly affect, the operations of King River, the results of those operations or the state of affairs of King River in subsequent years that is not otherwise disclosed in the consolidated financial statements.

21. AUDITORS' REMUNERATION

The auditors of King River are Ernst & Young.

	Consolidated	
	2018	2017
	$	$
Amounts received or due and receivable by Ernst & Young for:		
An audit or review of the financial report of the entity	**32,240**	31,930

22. DIRECTORS AND KEY MANAGEMENT PERSONNEL DISCLOSURES

There were no changes to Directors and Key Management Personnel between the reporting date and the date the financial report was authorised for issue.

	Consolidated	
	2018	2017
	$	$
(a) Compensation of Directors and Key Management Personnel		
Director and Key Management Personnel		
Short-term	**289,153**	223,145
Post-employment superannuation	**10,017**	6,967
Value of Share based payments	**240,225**	87,600
	539,395	317,712

23. RELATED PARTY TRANSACTIONS

Australian Heritage Group Pty Ltd ("AHG"), a company of which Mr Anthony Barton, a Director and Mr Greg MacMillan, a Director and the Company Secretary, have entered into an occupancy and administration agreement with King River Copper in respect of providing occupancy, administration and bookkeeping services commencing March 2009. The total value of the occupancy and administration services provided by AHG during the year was $72,818 (2017: $93,595). As at 30th June 2018, there is nil amount (2017: 22,605) outstanding to pay AHG. All services provided by companies associated with directors were provided on commercial terms.

Mr Anthony Barton, a Director of the Company took part in Share Purchase Plans purchasing a total of 15,000,000 shares for $75,000 and received a total of 4,258,333 shares worth $29,808 as payment of outstanding Directors fees.

Mr Leonid Charuckyj received 4,258,333 shares worth $29,808 as payment of outstanding Directors fees.

Mr Greg MacMillan received 4,258,333 shares worth $29,808 as payment of outstanding Directors fees.

Ernst & Young
11 Mounts Bay Road
Perth WA 6000 Australia
GPO Box M939 Perth WA 6843

Tel: +61 8 9429 2222
Fax: +61 8 9429 2436
ey.com/au

Independent auditor's report to the members of King River Copper Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of King River Copper Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2018, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

giving a true and fair view of the consolidated financial position of the Group as at 30 June 2018 and of its consolidated financial performance for the year ended on that date; and

complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 2e in the financial report, which describes events or conditions to indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined the matter described below to be the key audit matter to be communicated in our report. For the matter below, our description of how our audit addressed the matter is provided in that context.

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We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.

Why significant	How our audit addressed the key audit matter
As disclosed in Note 13, as at 30 June 2018 the Group held exploration and evaluation assets of $12,252,588. The carrying value of exploration and evaluation assets is assessed for impairment by the Group when facts and circumstances indicate that the exploration and evaluation assets may exceed their recoverable amount. The determination as to whether there are any indicators to require an exploration and evaluation asset to be assessed for impairment involves a number of judgements, including whether the Group has tenure, will be able to perform ongoing expenditure and whether there is sufficient information for a decision to be made that the area of interest is not commercially viable. During the year, the Group determined that there had been no indicators of impairment.	We evaluated the Group's assessment of the carrying value of exploration and evaluation assets. In obtaining sufficient audit evidence, we: ▸ Considered the Group's right to explore in the relevant exploration area which included obtaining and assessing supporting documentation such as license agreements ▸ Considered the Group's intention to carry out significant exploration and evaluation activity in the relevant exploration area which included assessment of the Group's cash-flow forecast models, enquired with senior management and Directors as to the intentions and strategy of the Group ▸ Assessed the carrying value of assets where exploration results brought into question the recoverability of capitalised assets and assessed the ability to fund any planned future exploration and evaluation activity ▸ Assessed the adequacy of the disclosures in Note 13.

Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information comprises the information included in the Company's 2018 Annual Report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern

► Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation

► Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Audit of the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2018.

In our opinion, the Remuneration Report of King River Copper Limited for the year ended 30 June 2018, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the p reparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Ernst & Young

Ernst & Young

Philip Teale
Partner
Perth
27 September 2018

ASX Additional Information

Additional information required by the Australian Stock Exchange Limited and not shown elsewhere in this report is as follows. The information is current as at 20th September 2018.

(a) Distribution of Equity Securities

The number of shareholders, by size of holding, in each class of share are:

			Listed Ordinary Shares		Listed Options	
			Number of Holders	**Number of Shares**	**Number of Holders**	**Number of Options**
1	–	1,000	155	50,661	270	102,854
1,001	–	5,000	410	1,520,381	1,311	3,739,393
5,001	–	10,000	752	6,212,163	746	5,581,376
10,001	–	100,000	2,736	116,426,372	1,823	63,048,556
100,001	–	and over	1,430	1,114,428,976	592	340,395,332
			5,483	**1,238,638,553**	**4,742**	**412,867,511**

(b) Twenty Largest Shareholders

The names of the twenty largest holders of quoted shares are:

		Listed Ordinary Shares	
		Number of Shares	**Percentage of Shares %**
1	UNIVL OIL AUST PL	34,583,147	2.79%
2	HSBC CUSTODY NOM AUST LTD	29,581,931	2.39%
3	BNP PARIBAS NOM PL HUB24	22,454,790	1.81%
4	BARTON ANTHONY P + C H >	18,723,275	1.51%
5	CITICORP NOM PL	17,855,084	1.44%
6	BARTON ANTHONY P + C H	16,796,918	1.36%
7	GDM SVCS PL	16,188,318	1.31%
8	S F MARAVENTANO PL	15,713,098	1.27%
9	BNP PARIBAS NOM PL	15,552,796	1.26%
10	LASTING LEGACY PL	15,000,000	1.21%
11	BARTON & BARTON PL	13,917,018	1.12%
12	OCCASIO HLDGS PL	13,663,748	1.10%
13	CARTER KENNETH JON + M E	13,197,459	1.07%
14	BARTON CORINNE HEATHER	11,132,422	0.90%
15	J P MORGAN NOM AUST LTD	11,046,423	0.89%
16	KING'S RANSOM VIC PL	11,000,000	0.89%
17	SESNA PL	10,900,000	0.88%
18	TEMTOR PL	10,391,667	0.84%
19	GDM SVCS TRUST PL	8,677,091	0.70%
20	GDM SVCS SUPER PL	8,607,384	0.69%

(c) Substantial Shareholders

The names of substantial shareholders who have notified the Company in accordance with section 671B of the Corporations Act 2001 are:

	Number of Shares	Percentage of Ordinary Shares %
Mr Anthony Barton and Associates	100,114,702	8.08%

(d) Voting Rights

All ordinary shares (whether fully paid or not) carry one vote per share without restriction.

(e) Twenty Largest Quoted Option Holders

These options all have an exercise price of 10 cents and expire on the 30th June 2018

		Listed Options	
		Number of Options	Percentage of Options %
1.	UNIVL OIL AUST PL	16,527,717	4.00%
2.	HSBC CUSTODY NOM AUST LTD	10,192,851	2.47%
3.	BNP PARIBAS NOM PL HUB24	7,218,264	1.75%
4.	CITICORP NOM PL	6,777,330	1.64%
5.	BARTON ANTHONY P + C H	6,241,092	1.51%
6.	BNP PARIBAS NOM PL	5,902,191	1.43%
7.	BARTON ANTHONY P + C H	5,598,973	1.36%
8.	OCCASIO HLDGS PL	5,533,334	1.34%
9.	GDM SVCS PL	5,396,107	1.31%
10.	S F MARAVENTANO PL	5,237,700	1.27%
11.	BARTON & BARTON PL	4,639,006	1.12%
12.	CARTER KENNETH JON + M E	4,333,820	1.05%
13.	SESNA PL	4,050,000	0.98%
14.	KING'S RANSOM VIC PL	3,833,556	0.93%
15.	J P MORGAN NOM AUST LTD	3,583,932	0.87%
16.	LEE DENISE LAI	3,333,334	0.81%
17.	MARTEN FIONA KAREN	3,073,929	0.74%
18.	CHARUCKYJ CHRISTINE MARY	2,936,834	0.71%
19.	GDM SVCS TRUST PL	2,892,364	0.70%
20.	GDM SVCS SUPER PL	2,869,128	0.69%

These options all have an exercise price of 12 cents and expire on the 31 July 2020

(f) **Distribution of unquoted option holder numbers**

Category (Size of Holding)	No of Option Holders	No of Options
100,001 and over	7	8,800,000
	7	**8,800,000**

(g) **Holders of more than 20% of unquoted options**

There are no holders, holding more than 20% of the unquoted options on issue.

(h) **On-Market Buyback**

There is no on-market buy-back scheme in operation for the company's quoted shares or quoted options.

(i) **Schedule of Mining Tenements**

Area of Interest	Tenements	Comments
Australia – Western Australia		
East Kimberley	M80/267	All of the Tenements are registered in the name of Speewah Mining Pty Ltd, a wholly owned subsidiary of King River Copper Limited.
East Kimberley	M80/268	
East Kimberley	M80/269	
East Kimberley	E80/2863	Note:
East Kimberley	E80/3657	M = Mining Lease
East Kimberley	E80/4468	E = Exploration Licence
East Kimberley	E80/4741	L = Miscellaneous Licence
East Kimberley	E80/4829	
East Kimberley	E80/4830	
East Kimberley	E80/4831	
East Kimberley	E80/4832	
East Kimberley	E80/4961	
East Kimberley	E80/4962	
East Kimberley	E80/4972	
East Kimberley	E80/4973	
East Kimberley	E80/5007	
East Kimberley	L80/43	
East Kimberley	L80/47	
Tennant Creek	EL31617	
Tennant Creek	EL31619	
Tennant Creek	EL31624	
Tennant Creek	EL31626	

The Board is responsible for establishing the Company's corporate governance framework. In establishing its corporate governance framework, the Board has referred to the 3rd edition of the ASX Corporate Governance Councils' Corporate Governance Principles and Recommendations.

In accordance with ASX Listing Rule 1.1 Condition 13, the corporate governance statement discloses the extent to which the Company follows the recommendations. The Company will follow each recommendation where the Board has considered the recommendation to be an appropriate benchmark for its corporate governance practices. Where the Company's corporate governance practices will follow a recommendation, the Board has made appropriate statements reporting on the adoption of the recommendation. In compliance with the "if not, why not" reporting regime, where, after due consideration, the Company's corporate governance practices will not follow a recommendation, the Board has explained its reasons for not following the recommendation and disclosed what, if any, alternative practices the Company will adopt instead of those in the recommendation.

The following governance-related documents can be found on the Company's website at www.kingrivercopper.com.au under the section marked "Corporate Governance":

a) Board Charter;
b) Board Performance Evaluation Policy;
c) Code of Conduct;
d) Audit Committee Charter;
e) Remuneration and Nomination Committee Charter;
f) Security Trading Policy;
g) Continuous Disclosure Policy;
h) Shareholder Communication and Investor Relations Policy;
i) Risk Management Policy; and
j) Diversity Policy.

Principle 1: Lay solid foundations for management and oversight

Recommendation 1.1

The Company has established the respective roles and responsibilities of its Board and management, and those matters expressly reserved to the Board and those delegated to management, and has documented this in its Board Charter.

The responsibilities of the Board include but are not limited to:

a) setting and reviewing strategic direction and planning;
b) reviewing financial and operational performance;
c) identifying principal risks and reviewing risk management strategies; and
d) considering and reviewing significant capital investments and material transactions.

In exercising its responsibilities, the Board recognises that there are many stakeholders in the operations of the Company, including employees, shareholders, co-ventures, the government and the community.

The Board has delegated responsibility for the business operations of the Company to the Chief Executive Officer and the management team. The management team, led by the Chief Executive Officer is accountable to the Board.

Recommendation 1.2

The Company undertakes appropriate checks before appointing a person, or putting forward to shareholders a candidate for election as a director and provides shareholders with all material information in its possession relevant to a decision on whether or not to elect a director.

The checks which are undertaken, and the information provided to shareholders, are set out in the Company's Remuneration and Nomination Committee Charter.

Recommendation 1.3

The Company has a written agreement with each of the Directors. The material terms of any employment, service or consultancy agreement the Company, or any of its child entities, has entered into with its Chief Executive Officer, any of its directors, and any other person or entity who is a related party of the Chief Executive Officer or any of its directors will be disclosed in accordance with ASX Listing Rule 3.16.4 (taking into consideration the exclusions from disclosure outlined in that rule).

Recommendation 1.4

The Company Secretary is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board. The Company Secretary is responsible for the application of best practice in corporate governance and also supports the effectiveness of the Board by:

a) ensuring a good flow of information between the Board, its committees, and Directors;
b) monitoring policies and procedures of the Board;
c) advising the Board through the Chairman of corporate governance policies; and

d) conducting and reporting matters of the Board, including the despatch of Board agendas, briefing papers and minutes.

Recommendation 1.5

The Company has a Diversity Policy, the purpose of which is:

a) to outline the Company's commitment to creating a corporate culture that embraces diversity and, in particular, focuses on the composition of its Board and senior management; and
b) to provide a process for the Board to determine measurable objectives and procedures which the Company will implement and report against to achieve its diversity goals.

The Board intends to set measurable objectives for achieving diversity, specifically including gender diversity and will review and report on the effectiveness and relevance of these measurable objectives. However, due to the current size of the Board and management, these measurable objectives have not yet been set.

Recommendation 1.6

The Chair will be responsible for evaluating the performance of the Board, Board committees and individual directors in accordance with the process disclosed in the Company's Board performance evaluation policy.

This policy is to ensure:

a) individual Directors and the Board as a whole work efficiently and effectively in achieving their functions;
b) the executive Directors and key executives execute the Company's strategy through the efficient and effective implementation of the business objectives; and
c) committees to which the Board has delegated responsibilities are performing efficiently and effectively in accordance with the duties and responsibilities set out in the board charter.

This policy will be reviewed annually.

Recommendation 1.7

The Chief Executive Officer will be responsible for evaluating the performance of the Company's senior executives in accordance with the process disclosed in the Company's Process for Performance Evaluations, which is currently being developed by the Board.

The Chair will be responsible for evaluating the performance of the Company's Chief Executive Officer in accordance with the process disclosed in the Company's Process for Performance Evaluations, which is currently being developed by the Board.

Principle 2: Structure the board to add value

Recommendation 2.1

Due to the size of the Board, the Company does not have a separate nomination committee. The roles and responsibilities of a nomination committee are currently undertaken by the Board.

The duties of the full Board in its capacity as a nomination committee are set out in the Company's Remuneration and Nomination Committee Charter which is available on the Company's website.

When the Board meets as a remuneration and nomination committee is carries out those functions which are delegated to it in the Company's Remuneration and Nomination Committee Charter. Items that are usually required to be discussed by a Remuneration and Nomination Committee are marked as separate agenda items at Board meetings when required.

The Board has adopted a Remuneration and Nomination Committee Charter which describes the role, composition, functions and responsibilities of a Nomination Committee and is disclosed on the Company's website.

Recommendation 2.2

The mix of skills and diversity which the Board is looking to achieve in its composition is:

a) a broad range of business experience; and
b) technical expertise and skills required to discharge duties.

Recommendation 2.3

The Board considers the independence of directors having regard to the relationships listed in Box 2.3 of the Principles and Recommendations.

Currently the Board is structured as follows:

a) Anthony Barton (Chairman and Director) appointed 24 May 2007;
b) Greg MacMillan (Director) appointed 2 July 2014; and
c) Leonid Charuckyj (Non Executive Director) appointed 13 December 2011.

Mr Barton & Mr MacMillan are not considered independent as Mr Barton is a substantial shareholder of the Company and Mr

MacMillan is Company Secretary they are also directors and shareholders of Australian Heritage Group Pty Ltd, a provider of professional services to the Company.

Mr Leonid Charuckyj is an independent director.

Recommendation 2.4

As noted above the board is not made up of a majority of independent directors, however the company has also adopted certain procedures intended to ensure independent decision making occurs where a conflict of interest may arise.

Recommendation 2.5

As noted above Mr Barton is not an independent Chairman. Mr Barton is considered to be the most appropriate person to Chair the Board because of his public company experience.

Recommendation 2.6

It is a policy of the Company, that new Directors undergo an induction process in which they are given a full briefing on the Company. Where possible this includes meetings with key executives, tours of the premises, an induction package and presentations.

In order to achieve continuing improvement in Board performance, all Directors are encouraged to undergo continual professional development. Specifically, Directors are provided with the resources and training to address skills gaps where they are identified.

Principle 3: Act ethically and responsibly

Recommendation 3.1

The Company is committed to promoting good corporate conduct grounded by strong ethics and responsibility. The Company has established a Code of Conduct (**Code**), which addresses matters relevant to the Company's legal and ethical obligations to its stakeholders. It may be amended from time to time by the Board, and is disclosed on the Company's website.

The Code applies to all Directors, employees, contractors and officers of the Company.

The Code will be formally reviewed by the Board each year.

Principle 4: Safeguard integrity in corporate reporting

Recommendation 4.1

Due to the size of the Board, the Company does not have a separate Audit Committee. The roles and responsibilities of an audit committee are undertaken by the Board.

The full Board in its capacity as the audit committee is responsible for reviewing the integrity of the Company's financial reporting and overseeing the independence of the external auditors. The duties of the full Board in its capacity as the audit committee are set out in the Company's Audit Committee Charter which is available on the Company's website.

When the Board meets as an audit committee is carries out those functions which are delegated to it in the Company's Audit Committee Charter. Items that are usually required to be discussed by an Audit Committee are marked as separate agenda items at Board meetings when required.

The Board is responsible for the initial appointment of the external auditor and the appointment of a new external auditor when any vacancy arises. Candidates for the position of external auditor must demonstrate complete independence from the Company through the engagement period. The Board may otherwise select an external auditor based on criteria relevant to the Company's business and circumstances. The performance of the external auditor is reviewed on an annual basis by the Board.

The Board has adopted an Audit Committee Charter which describes the role, composition, functions and responsibilities of the Audit Committee and is disclosed on the Company's website.

Recommendation 4.2

Before the Board approves the Company financial statements for each financial period it will receive from the Chief Executive Officer and the Chief Financial Officer or equivalent a declaration that, in their opinion, the financial records of the Company for the relevant financial period have been properly maintained and that the financial statements for the relevant financial period comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the Company and the consolidated entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

Recommendation 4.3

Under section 250RA of the Corporations Act, the Company's auditor is required to attend the Company's annual general meeting at which the audit report is considered, and does not arrange to be represented by a person who is a suitably qualified member of the audit team that conducted the audit and is in a position to answer questions about the audit. Each year, the

Company will write to the Company's auditor to inform them of the date of the Company's annual general meeting. In accordance with section 250S of the Corporations Act, at the Company's annual general meeting where the Company's auditor or their representative is at the meeting, the Chair will allow a reasonable opportunity for the members as a whole at the meeting to ask the auditor (or its representative) questions relevant to the conduct of the audit; the preparation and content of the auditor's report; the accounting policies adopted by the Company in relation to the preparation of the financial statements; and the independence of the auditor in relation to the conduct of the audit. The Chair will also allow a reasonable opportunity for the auditor (or their representative) to answer written questions submitted to the auditor under section 250PA of the Corporations Act.

Principle 5: Make timely and balanced disclosure

Recommendation 5.1

The Company is committed to:

a) ensuring that shareholders and the market are provided with full and timely information about its activities;

b) complying with the continuous disclosure obligations contained in the Listing Rules and the applicable sections of the Corporations Act; and

c) providing equal opportunity for all stakeholders to receive externally available information issued by the Company in a timely manner.

The Company has adopted a Disclosure Policy, which is disclosed on the Company's website. The Disclosure Policy sets out policies and procedures for the Company's compliance with its continuous disclosure obligations under the ASX Listing Rules, and addresses financial markets communication, media contact and continuous disclosure issues. It forms part of the Company's corporate policies and procedures and is available to all staff.

The Company Secretary manages the policy. The policy will develop over time as best practice and regulations change and the Company Secretary will be responsible for communicating any amendments. This policy will be reviewed by the Board annually.

Principle 6: Respect the rights of security holders

Recommendation 6.1

The Company provides information about itself and its governance to investors via its website at www.kingrivercopper.com.au. The Company is committed to maintaining a Company website with general information about the Company and its operations and information specifically targeted at keeping the Company's shareholders informed about the Company. In particular, where appropriate, after confirmation of receipt by ASX, the following will be posted to the Company website:

a) relevant announcements made to the market via ASX;
b) media releases;
c) investment updates;
d) Company presentations and media briefings;
e) copies of press releases and announcements for the preceding three years; and
f) copies of annual and half yearly reports including financial statements for the preceding three years.

Recommendation 6.2

The Company has a Shareholder Communication and Investor Relations Policy which aims to ensure that Shareholders are informed of all major developments of the Company. The policy is disclosed on the Company's website.

Information is communicated to Shareholders via:

a) reports to Shareholders;
b) ASX announcements;
c) annual general meetings; and
d) the Company website.

This Shareholder Communication and Investor Relations policy will be formally reviewed by the Board each year. While the Company aims to provide sufficient information to Shareholders about the Company and its activities, it understands that Shareholders may have specific questions and require additional information. To ensure that Shareholders can obtain all relevant information to assist them in exercising their rights as Shareholders, the Company has made available a telephone number and relevant contact details (via the website) for Shareholders to make their enquiries.

Recommendation 6.3

The Board encourages full participation of Shareholders at meetings to ensure a high level of accountability and identification with the Company's strategies and goals.

However, due to the size and nature of the Company, the Board does not consider a policy outlining the policies and processes that it has in place to facilitate and encourage participating at meetings of shareholders to be appropriate at this stage.

Recommendation 6.4

Shareholders are given the option to receive communications from, and send communication to, the Company and its share registry electronically. To ensure that shareholders can obtain all relevant information to assist them in exercising their rights as shareholders, the Company has made available a telephone number and relevant contact details (via the website) for shareholders to make their enquiries.

Principle 7: Recognise and manage risk

Recommendation 7.1

Due to the size of the Board, the Company does not have a separate Risk Committee. The Board is responsible for the oversight of the Company's risk management and control framework.

When the Board meets as a risk committee is carries out those functions which are delegated to it in the Company's Risk Committee Charter. Items that are usually required to be discussed by a Risk Committee are marked as separate agenda items at Board meetings when required.

The Board has adopted a Risk Committee Charter which describes the role, composition, functions and responsibilities of the Risk Committee and is disclosed on the Company's website.

The Board has adopted a Risk Management Policy, which is disclosed on the Company's website. Under the policy, responsibility and control of risk management is delegated to the appropriate level of management within the Company with the Chief Executive Officer having ultimate responsibility to the Board for the risk management and control framework.

The risk management system covers:

a) operational risk;
b) financial reporting;
c) compliance / regulations; and
d) system / IT process risk.

Recommendation 7.2

The Board will review the Company's risk management framework annually to satisfy itself that it continues to be sound, to determine whether there have been any changes in the material business risks the Company faces and to ensure that the Company is operating within the risk appetite set by the Board.

Arrangements put in place by the Board to monitor risk management include, but are not limited to:

a) monthly reporting to the Board in respect of operations and the financial position of the Company; and
b) quarterly rolling forecasts prepared;

Recommendation 7.3

The Company does not have, and does not intend to establish, an internal audit function. To evaluate and continually improve the effectiveness of the Company's risk management and internal control processes, the Board relies on ongoing reporting and discussion of the management of material business risks as outlined in the Company's Risk Management Policy.

Recommendation 7.4

Given the speculative nature of the Company's business, it is subject to general risks and certain specific risks. .

The Company has identified those economic, environmental and/or social sustainability risks to which it has a material exposure, and disclosed how it intends to manage those risks.

Principle 8: Remunerate fairly and responsibly

Recommendation 8.1

Due to the size of the Board, the Company does not have a separate remuneration committee. The roles and responsibilities of a remuneration committee are currently undertaken by the Board.

The duties of the full board in its capacity as a remuneration committee are set out in the Company's Remuneration and Nomination Committee Charter which is available on the Company's website

When the Board meets as a remuneration committee is carries out those functions which are delegated to it in the Company's Remuneration and Nomination Committee Charter. Items that are usually required to be discussed by a Remuneration Committee are marked as separate agenda items at Board meetings when required.

The Board has adopted a Remuneration and Nomination Committee Charter which describes the role, composition, functions and responsibilities of the Remuneration Committee and is disclosed on the Company's website.

Recommendation 8.2

Details of the Company's policies on remuneration will be set out in the Company's "Remuneration Report" in each Annual

Report published by the Company. This disclosure will include a summary of the Company's policies regarding the deferral of performance-based remuneration and the reduction, cancellation or clawback of the performance-based remuneration in the event of serious misconduct or a material misstatement in the Company's financial statements.

Recommendation 8.3

The Company's Security Trading Policy includes a statement on the Company's policy on prohibiting participants in the Company's Employee Incentive Plan entering into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the Employee Incentive Plan.

Security Trading Policy

In accordance with ASX Listing Rule 12.9, the Company has adopted a trading policy which sets out the following information:

a) closed periods in which directors, employees and contractors of the Company must not deal in the Company's securities;
b) trading in the Company's securities which is not subject to the Company's trading policy; and
c) the procedures for obtaining written clearance for trading in exceptional circumstances.

The Company's Security Trading Policy is available on the Company's website.