



Half Year Financial Report
31 December 2014

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Corporate Directory

ACN 100 714 181

ASX CODE

KRC

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

DIRECTORS

Anthony Barton Non Executive Chairman

Greg MacMillan Non Executive Director

Leonid Charuckyj Non Executive Director

COMPANY SECRETARY

Greg MacMillan

REGISTERED OFFICE

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Perth WA 6000

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BANKERS

ANZ Banking Corporation

77 St George's Terrace

Perth WA 6000

SHARE REGISTER

Security Transfer Registrars Pty Ltd

770 Canning Highway

Applecross WA 6153

AUDITORS

Ernst & Young

11 Mounts Bay Road

Perth WA 6000

INTERNET ADDRESS

www.kingrivercopper.com.au

Director's Report

The directors submit their report for King River Copper Limited ("King River" or "the Company") and its controlled entities ("the Group" or "the Consolidated entity") for the half year ended 31 December 2014.

DIRECTORS

The names and details of the Company's directors in office during the half year and until the date of this report are as follows. The directors were in office for the entire period unless otherwise stated.

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 34 years of commercial experience having also acted in senior executive and director capacities for two leading Australian stockbroking firms.

Mr Barton is also a non-executive Chairman of Spectrum Resources Limited.

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 is also a non-executive director of Spectrum Resources Limited.

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.

Derek Carew-Hopkins

Director

Resigned 2nd July 2014

Mr Carew-Hopkins has extensive experience in engineering and is a specialist in water and environmental issues. As the Director General of the Department of Environment, Mr Carew-Hopkins had responsibility for a diverse range of environmental and water related regulation, assessment and investigation including a significant agenda of new initiatives across the environment portfolio. He left Government in 2006 and now runs a consultancy specialising in guiding development projects through the approval processes.

Mr Carew-Hopkins has a Bachelor of Civil Engineering from the University of Central Queensland and is an accredited Mediator in dispute resolution. He spent the early part of his career in mining and construction project management and many years in water supply development. He is well known for his expertise in groundwater investigations, well field development and dispute resolution.

Director's Report

CORPORATE STRUCTURE

King River is a company limited by shares that is incorporated and domiciled in Australia. King River Copper Limited has a fully owned subsidiary Speewah Mining Pty Ltd. The Group has prepared a consolidated financial report incorporating the entity that it controlled during the financial half year, Speewah Mining Pty Ltd a 100% owned subsidiary.

NATURE OF OPERATIONS AND PRINCIPAL ACTIVITIES

King River has established a portfolio of 100% owned tenements covering approximately 785 square kilometres in the East Kimberley region of Western Australia ("Tenements"). The principal activities of the entities within the Group during the half year were focusing on exploration and development of the Tenements in the East Kimberley region of Western Australia.

REVIEW & RESULTS OF CONSOLIDATED OPERATIONS

The consolidated entity recorded an operating loss after income tax of \$274,749 for the half year ended 31 December 2014 (2013: \$286,091 loss).

There was no dividend declared or paid during the half year.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Contributed Equity

During the half year the following significant changes were made to the Company's contributed equity:

- On the 2nd July 2014, the Company issued 400,005 ordinary shares at 12 cents and 160,002 options with an exercise price of 20 cents. These options expire 30th June 2015;
- On the 29th September 2014, the Company issued 13,796,005 ordinary shares at 4.5 cents as Tranche 1 of a Placement;
- On the 31st October 2014, the Company issued 6,204,006 ordinary shares at 4.5 cents as Tranche 2 of a Placement;
- On the 19th December 2014, the Company issued 1,541,879 ordinary shares at 4.5 cents, as part payment of drilling costs for the Phase 2 Drilling Program. This represented 35% of the total drilling expense.

SIGNIFICANT EVENTS AFTER THE BALANCE DATE

The Company is currently undertaking a pro-rata non-renounceable rights issue of shares to all shareholders, on the basis of 1 new share for every 1 share held at an issue price of 1 cent per share. The funds raised will be used to advance the exploration of the Copper / Gold potential of its East Kimberley tenement, for working capital and to meet Offer expenses.

There were no other significant events following the balance date that affected the Company's equity or state of affairs.

AUDITOR INDEPENDENCE

Section 307C 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 review of the consolidated financial report. This Independence Declaration is disclosed on page 6 of this report and forms part of this directors' report for the half year ended 31 December 2014.

Signed in accordance with a resolution of the directors

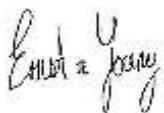


Anthony Barton
Chairman

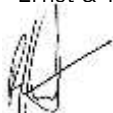
16th March 2015

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

In relation to our review of the half-year financial report of King River Copper Limited for the period ended 31 December 2014, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.



Ernst & Young



RJ Curtin
Partner
Perth
16 March 2015

Director's Declaration

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

In the opinion of the directors:

- (a) the consolidated financial statements and notes of the Group are in accordance with the Corporations Act 2001 including:
 - (i) giving a true and fair view of the Group's consolidated financial position as at 31 December 2014 and of its performance for the half year then ended; and
 - (ii) complying with Accounting Standard AASB 134 "Interim Financial Reporting" and Corporations Regulations 2001; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The declaration is signed in accordance with a resolution of the Board of Directors.



Anthony Barton
Chairman

16th March 2015

Statement of Comprehensive Income

FOR THE HALF YEAR ENDED 31 DECEMBER 2014



		Consolidated	
		2014	2013
	Notes	\$	\$
Revenue	3	2,456	7,041
Directors' and Employee benefit expenses			
- Wages & Salary		(63,600)	(83,400)
- Superannuation		(1,800)	(1,620)
Compliance costs		(71,304)	(51,069)
Insurance Expense		(693)	(12,745)
Other expenses		(139,808)	(144,298)
Loss before income tax expense		(274,749)	(286,091)
Income tax (expense) / benefit – from prior year		-	-
Net loss after income tax benefit for the period		(274,749)	(286,091)
Other Comprehensive Income		-	-
Total Comprehensive Loss for the period		(274,749)	(286,091)
Total Comprehensive Loss for the period is attributable to:			
Owners of King River Copper Limited		(274,749)	(286,091)
		(274,749)	(286,091)
Loss per share			
Loss per share (cents)		(0.16)	(0.21)
Diluted loss per share (cents)		(0.16)	(0.21)

The accompanying notes form part of these consolidated financial statements.

Statement of Financial Position

AS AT 31 DECEMBER 2014



	Notes	Consolidated	
		31 December 2014	30 June 2014
		\$	\$
Assets			
Current Assets			
Cash and cash equivalents		280,716	1,235,928
Trade and other receivables		67,480	80,262
Total Current Assets		348,196	1,316,190
Non Current Assets			
Deferred exploration expenditure	7	6,475,544	5,267,933
Other financial assets		45,715	45,241
Plant & Equipment		8,009	8,009
Total Non Current Assets		6,529,268	5,321,183
Total Assets		6,877,464	6,637,373
Liabilities			
Current Liabilities			
Trade and other payables		92,156	533,217
Total Current Liabilities		92,156	533,217
Total Liabilities		92,156	533,217
Net Assets		6,785,307	6,104,156
Equity			
Issued capital	5	25,916,805	24,960,903
Reserves		1,510,429	1,510,429
Accumulated losses		(20,641,927)	(20,367,177)
Total Equity		6,785,307	6,104,156

The accompanying notes form part of these consolidated financial statements.

Statement of Cash Flows

FOR THE HALF YEAR ENDED 31 DECEMBER 2014



	Consolidated	
	2014	2013
Notes	\$	\$
Cash Flows from Operating Activities		
Gross interest received	1,982	6,484
Payments to suppliers and employees	(368,421)	(373,578)
Net cash used in operating activities	(366,439)	(367,094)
Cash Flows from Investing Activities		
Payment for exploration and evaluation	(1,544,676)	(769,738)
Net cash used in investing activities	(1,544,676)	(769,738)
Cash Flows from Financing Activities		
Proceeds from issue of shares	1,017,385	-
Payment of share issue costs	(61,482)	-
Payment for shares bought back	-	(578)
Net cash from/(used) in financing activities	955,903	(578)
Net decrease in cash and cash equivalents	(955,212)	(1,137,410)
Cash and cash equivalents at beginning of half year	1,235,928	1,762,612
Cash and Cash Equivalents at end of half year	280,716	625,202

Statement of Changes in Equity

FOR THE HALF YEAR ENDED 31 DECEMBER 2014

Consolidated	Issued Capital \$	Employee Option Reserve \$	Accumulated Losses \$	Total \$
Balance at 1 July 2013	23,730,725	1,316,779	(19,647,503)	5,400,001
Net loss for the period	-	-	(286,091)	(286,091)
Total comprehensive loss for the period	-	-	(286,091)	(286,091)
Transactions with owners in their capacity as owners:				
Issue of Share Capital	-	-	-	-
Capital Raising Fees	-	-	-	-
Share Based Payments	-	-	-	-
On Market Share Buy Back	(578)	-	-	(578)
Balance at 31 December 2013	23,730,147	1,316,779	(19,933,594)	5,113,332
Balance at 1 July 2014	24,960,903	1,510,429	(20,367,178)	6,104,154
Net loss for the period	-	-	(274,749)	(274,749)
Total comprehensive loss for the period	-	-	(274,749)	(274,749)
Transactions with owners in their capacity as owners:				
Issue of Share Capital – 2 nd July 14	48,000	-	-	48,000
Issue of Share Capital – 29 th September 14	620,820	-	-	620,820
Issue of Share Capital – 31 st October 14	279,180	-	-	279,180
Issue of Share Capital – 19 th December 14	69,385	-	-	69,385
Capital Raising Fees net of tax	(61,482)	-	-	(61,482)
Balance at 31 December 2014	25,916,805	1,510,429	(20,641,927)	6,785,307

The accompanying notes form part of these consolidated financial statements.

Notes to the Half Year Consolidated Financial Statements

1. CORPORATE INFORMATION

King River Copper Limited ("King River" or "the Company") is a company limited by shares incorporated and domiciled in Australia, whose shares are publicly traded on the Australian Securities Exchange. These consolidated financial statements are presented in Australian dollars. The condensed financial report was authorised for issue by the directors on 16th March 2015 in accordance with a resolution of the directors. The nature of the operations and principal activities of the Group are described in the Directors' Report.

2. BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES

(a) Basis of Preparation

This general purpose condensed financial report for the half-year ended 31 December 2014 has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

The half year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report.

The half year financial report should be read in conjunction with the most recent annual financial report for the year ended 30 June 2014.

It is also recommended that the half year financial report be considered together with any public announcements made by King River and its controlled entities during the half year ended 31 December 2014 in accordance with the continuous disclosure obligations arising under the ASX Listing Rules.

The accounting policies and methods of computation are the same as those adopted in the Annual Financial Report for 2014.

(b) Going Concern Basis of Preparation

The 31 December 2014 half yearly report has been prepared on the going concern basis that contemplates the continuity of normal business activities and the realization of assets and extinguishment of liabilities in the ordinary course of business.

The directors believe that it is appropriate to prepare the financial report on a going concern basis because:

- The cash flow forecast for the next twelve months demonstrates the ability of the Company to continue as a going concern;
- To the extent that further equity is required the Directors are confident that a sufficient capital raising can be completed;
- There is capacity for the Company to reduce its operating and tenement holding cost structure.

(c) New and Amended Accounting Standards and Interpretations

From 1 July 2014, the Group has adopted the Standards and Interpretations, that are mandatory for annual periods beginning on or after 1 July 2014. Adoption of these standards and interpretations did not have any effect on the financial position or performance of the Group.

The Group has not elected to early adopt any new standards or amendments.

3. REVENUE

Interest revenue

Consolidated	
2014	2013
\$	\$
2,456	7,041
2,456	7,041

Notes to the Half Year Consolidated Financial Statements

4. SEGMENT INFORMATION

The Consolidated Entity operates in one geographical area being Australia and one industry, being exploration for the period to 31 December 2014. 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	
	31 December 2014	30 June 2014
	\$	\$
5. ISSUED CAPITAL		
a) Issue and Paid Up		
Issued and Fully Paid	25,916,805	24,960,903
Total	25,916,805	24,960,903

	31 December 2014		31 December 2013	
	Number of Shares	Amount Paid \$	Number of Shares	Amount Paid \$
b) Movement in shares on issue				
At 1 July	155,248,174	24,960,903	138,657,171	23,730,725
Issued during the period	21,941,895	1,017,385	-	-
Cost of issue	-	(61,482)	-	-
On Market Share Buy Back	-	-	(9,000)	(578)
At 31 December	177,190,069	25,916,805	138,648,171	23,730,147

	31 December 2014			
	Listed Options		Unlisted Options	
	Number of Options	Weighted Average Exercise Price \$	Number of Options	Weighted Average Exercise Price \$
c) Movement in share options on issue				
At 1 July	62,529,458	20 cents	10,750,000	22 cents
Options Issued during the period	160,002	20 cents	-	-
Options Expired during the period	-	-	(2,700,000)	46 cents
At 31 December	62,689,460	20 cents	8,050,000	14 cents

Notes to the Half Year Consolidated Financial Statements

	Consolidated	
	31 December 2014	30 June 2014
	\$	\$

6. COMMITMENTS & CONTINGENCIES

(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.

	609,810	595,177
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Within 1 year

(b) Operating Lease Commitment

The Company entered an agreement for occupancy and warehouse storage facilities on a monthly basis, the commitments under these agreements are:

within 1 year	24,000	24,000
1 - 3 years	24,000	24,000

Total lease payment during the half year was \$12,000.

	Consolidated		
	31 December 2014	30 June 2014	31 December 2013
	\$	\$	\$

7. DEFERRED EXPLORATION EXPENDITURE			
Costs carried forward in respect of:			
Explorations and Evaluations Phase – At Cost			
Balance at beginning of the half year	5,267,933	3,701,745	3,701,745
Expenditure incurred	1,207,611	1,566,188	764,762
Impairment Loss	-	-	-
Total Exploration Expenditure	6,475,544	5,267,933	4,466,507

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.

8. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

	31 December 2014	
	Carrying Value	Fair Value
	\$	\$

Trade and Other Receivables	67,480	67,480
Trade and Other Payables	92,156	92,156

Due to the short term nature of the Group's financial assets and financial liabilities, the carrying value is considered to be the fair value.

9. EVENTS AFTER THE BALANCE SHEET DATE

The Company is currently undertaking a pro-rata non-renounceable rights issue of shares to all shareholders, on the basis of 1 new share for every 1 share held at an issue price of 1 cent per share. The funds raised will be used to advance the exploration of the Copper / Gold potential of its East Kimberley tenement, for working capital and to meet Offer expenses.

To the members of King River Copper Limited

Report on the half-year financial report

We have reviewed the accompanying half-year financial report of King River Copper Limited, which comprises the statement of financial position as at 31 December 2014, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half year end or from time to time during the half-year.

Directors' responsibility for the half-year financial report

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

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements *ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of King River Copper Limited and the entities it controlled during the half-year, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

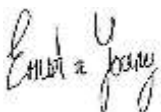
Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the directors' report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of King River Copper Limited is not in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.



Ernst & Young



RJ Curtin
Partner
Perth

16 March 2015