



Half Year Financial Report
31 December 2015

Contents

Corporate Directory	3
Directors' Report	4
Auditors' Independence Declaration	6
Directors' Declaration	7
Statement of Comprehensive Income	8
Statement of Financial Position	9
Statement of Cash Flows	10
Statement of Changes in Equity	11
Notes to the Half Year Consolidated Financial Statements	12
Independent Review Report	15

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

Directors' 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 2015.

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 Rare Earths 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 Rare Earths Limited.

Gregory MacMillan

Director - Appointed 2nd July 2014

Company Secretary - Appointed 9th August 2012

Mr. MacMillan has wide ranging corporate, financial, capital markets and commercial experience over the last 30 years. Mr. MacMillan 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. Mr. MacMillan holds a Bachelor of Business degree, is a Certified Practising Accountant and a Chartered Company Secretary.

Directors' 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 695 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 \$316,101 for the half year ended 31 December 2015 (2014: \$274,749 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 26th November 2015, the Company issued 30,000,000 ordinary shares at 1 cent as part of a Placement and 82,754,704 ordinary shares at 1 cent as part of a pro-rata non-renounceable rights issue on the basis of 1 new share for every 1 share held.

SIGNIFICANT EVENTS AFTER THE BALANCE DATE

There were no 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 2015.

Signed in accordance with a resolution of the directors



Anthony Barton
Chairman

15th March 2016

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

As lead auditor for the review of King River Copper Limited for the half-year ended 31 December 2015, 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 review; and
- b) no contraventions of any applicable code of professional conduct in relation to the review.

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



Ernst & Young



P Teale
Partner
15 March 2016

Directors' 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 2015 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

15th March 2016

Statement of Comprehensive Income

FOR THE HALF YEAR ENDED 31 DECEMBER 2015



	Notes	Consolidated	
		2015	2014
		\$	\$
Revenue	3	584	2,456
Directors' and Employee benefit expenses			
- Wages & Salary		(63,800)	(63,600)
- Superannuation		(1,900)	(1,800)
Compliance costs		(89,611)	(71,304)
Insurance (expense)/refund		371	(693)
Other administration expenses		(161,744)	(139,808)
Loss before income tax expense		(316,101)	(274,749)
Income tax expense		-	-
Net loss after income tax benefit for the period		(316,101)	(274,749)
Other Comprehensive Income		-	-
Total Comprehensive Loss for the period		(316,101)	(274,749)
Total Comprehensive Loss for the period is attributable to:			
Owners of King River Copper Limited		(316,101)	(274,749)
		(316,101)	(274,749)
Loss per share			
Loss per share (cents)		(0.07)	(0.16)
Diluted loss per share (cents)		(0.07)	(0.16)

The accompanying notes form part of these consolidated financial statements.

Statement of Financial Position

AS AT 31 DECEMBER 2015



	Notes	Consolidated	
		31 December 2015	30 June 2015
		\$	\$
Assets			
Current Assets			
Cash and cash equivalents		611,502	879,750
Trade and other receivables	8	65,115	94,335
Prepayments		-	50,000
Total Current Assets		676,617	1,024,085
Non Current Assets			
Deferred exploration expenditure	7	8,427,709	7,472,047
Other financial assets		-	46,671
Plant & Equipment		8,009	8,009
Total Non Current Assets		8,435,718	7,526,727
Total Assets		9,112,335	8,550,812
Liabilities			
Current Liabilities			
Trade and other payables	8	170,862	393,852
Total Current Liabilities		170,862	393,852
Total Liabilities		170,862	393,852
Net Assets		8,941,473	8,156,960
Equity			
Issued capital	5	28,367,307	27,266,692
Reserves		1,510,429	1,510,429
Accumulated losses		(20,936,263)	(20,620,161)
Total Equity		8,941,473	8,156,960

The accompanying notes form part of these consolidated financial statements.

Statement of Cash Flows

FOR THE HALF YEAR ENDED 31 DECEMBER 2015



	Consolidated	
	2015	2014
Notes	\$	\$
Cash Flows from Operating Activities		
Gross interest received	584	1,982
Payments to suppliers and employees	(274,576)	(368,421)
Net cash used in operating activities	(273,993)	(366,439)
Cash Flows from Investing Activities		
Payment for exploration and evaluation	(1,141,541)	(1,544,676)
Return of Security Deposits	46,671	-
Net cash used in investing activities	(1,094,870)	(1,544,676)
Cash Flows from Financing Activities		
Proceeds from issue of shares	1,127,547	1,017,385
Payment of share issue costs	(26,932)	(61,482)
Net cash from/(used) in financing activities	1,100,615	955,903
Net decrease in cash and cash equivalents	(268,248)	(955,212)
Cash and cash equivalents at beginning of half year	879,750	1,235,928
Cash and Cash Equivalents at end of half year	611,502	280,716

Statement of Changes in Equity

FOR THE HALF YEAR ENDED 31 DECEMBER 2015



Consolidated	Issued Capital	Employee Option Reserve	Accumulated Losses	Total
	\$	\$	\$	\$
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
Balance at 1 July 2015	27,266,692	1,510,429	(20,620,161)	8,156,960
Net loss for the period	-	-	(316,101)	(316,101)
Total comprehensive loss for the period	-	-	(316,101)	(316,101)
Transactions with owners in their capacity as owners:				
Issue of Share Capital - 26 th November 16: Placement	300,000	-	-	300,000
Issue of Share Capital - 26 th November 16: Rights Issue	827,547	-	-	827,547
Capital Raising Fees net of tax	(26,932)	-	-	(26,932)
Balance at 31 December 2015	28,367,307	1,510,429	(20,936,263)	8,941,473

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 15th March 2016 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 2015 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 2015.

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 2015 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 2015.

(b) Going Concern Basis of Preparation

The Group incurred a net loss after income tax of \$316,101 for the half year ended 31 December 2015 (2014: \$274,749) and a net cash outflow of \$268,248 (2014: \$955,212). As at 31 December 2015 the Group had cash and cash equivalents of \$611,502 (2014: \$280,716) and a working capital surplus of \$505,755 (2014: \$256,040 surplus).

The Group will require further funding during the next 12 months in order to meet day to day obligations as they fall due and 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 next 12 months 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.
- Future equity raisings are planned to provide funding for the Group's activities and to meet the Group's objectives.

Should the Group not achieve the matters set out above, there is significant 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.

Notes to the Half Year Consolidated Financial Statements

2. BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES (continued)

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

(c) New and Amended Accounting Standards and Interpretations

From 1 July 2015, the Group has adopted the Standards and Interpretations, that are mandatory for annual periods beginning on or after 1 July 2015. 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.

	Consolidated	
	2015	2014
	\$	\$
3. REVENUE		
Interest revenue	584	2,456
	584	2,456

4. SEGMENT INFORMATION

The Consolidated Entity operates in one geographical area being Australia and one industry, being exploration for the period to 31 December 2015. 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 2015	30 June 2015
	\$	\$
5. ISSUED CAPITAL		
a) Issue and Paid Up		
Issued and Fully Paid	28,367,307	27,266,692
Total	28,367,307	27,266,692

	31 December 2015		31 December 2014	
	Number of Shares	Amount Paid \$	Number of Shares	Amount Paid \$
b) Movement in shares on issue				
At 1 July	311,024,953	27,266,692	155,248,174	24,960,903
Issued during the period	112,754,704	1,127,547	21,941,895	1,017,385
Cost of issue	-	(26,932)	-	(61,482)
At 31 December	423,779,657	28,367,307	177,190,069	25,916,805

Notes to the Half Year Consolidated Financial Statements

5. ISSUED CAPITAL (continued)

31 December 2015

	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 31 December	124,410,168	10 cents	5,550,000	15 cents

There were no movements during the period.

6. COMMITMENTS & CONTINGENCIES

There has been no change for the period.

	Consolidated		
	31 December 2015	30 June 2015	31 December 2014
	\$	\$	\$
7. DEFERRED EXPLORATION EXPENDITURE			
Costs carried forward in respect of:			
Explorations and Evaluations Phase – At Cost			
Balance at beginning of the half year	7,472,047	5,267,933	5,267,933
Expenditure incurred	955,662	2,204,114	1,207,611
Total Exploration Expenditure	8,427,709	7,472,047	6,475,544

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 2015	
	Carrying Value	Fair Value
	\$	\$
Trade and Other Receivables	65,115	65,115
Trade and Other Payables	170,862	170,862

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

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

To the members of King River Copper Limited

We have reviewed the accompanying half-year financial report of King River Copper Limited, which comprises the consolidated statement of financial position as at 31 December 2015, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half year ended on that date, notes comprising a summary of significant accounting policies and 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 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 2015 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 review of the interim 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.

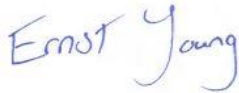
Conclusion

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 2015 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.

Emphasis of matter

Without modifying our conclusion, we draw attention to Note 2 (b) in the financial report which describes the principal conditions that raise doubt about the consolidated entity's ability to continue as a going concern. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business.



Ernst & Young



P Teale
Partner
Perth
15 March 2016