

**KING RIVER COPPER LIMITED**  
**ACN 100 714 181**

**NOTICE OF ANNUAL GENERAL MEETING**  
**AND**  
**EXPLANATORY STATEMENT**

For the Annual General Meeting to be held  
on 12 October 2016 at 9.00am (Western Standard Time) at

254 Adelaide Terrace, Perth, Western Australia

This is an important document. Please read it carefully.  
Please speak to your professional advisers if you have any questions about this document or how to  
vote at the Meeting.

## **TIME AND PLACE OF ANNUAL GENERAL MEETING AND HOW TO VOTE**

### **Venue**

The Annual General Meeting of the Company will be held at:

254 Adelaide Terrace  
Perth, Western Australia

Commencing  
9:00 am (WST)  
12 October 2016

### **How to Vote**

You may vote by attending the Meeting in person, by proxy or authorised representative.

### **Voting in Person**

To vote in person, attend the Meeting on the date and at the place set out above. The Meeting will commence at 9:00 am (WST).

### **Voting by Proxy**

To vote by proxy, please complete and sign the enclosed proxy form and return by:

- delivery to First Floor, 254 Adelaide Tce, Perth WA 6000; or
- post to King River Copper Limited, PO Box Z5518, Perth WA 6831; or
- facsimile to facsimile number +61 (8) 9325 8088, or
- email to [gmacmillan@australianheritage.com.au](mailto:gmacmillan@australianheritage.com.au), or

so that it is received not later than 9:00 am (WST) on 10 October 2016.

**KING RIVER COPPER LIMITED**  
**ACN 100 714 181**  
**NOTICE OF ANNUAL GENERAL MEETING**

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Notice is hereby given that the Annual General Meeting of the Shareholders of King River Copper Limited will be held at 254 Adelaide Terrace, Perth, Western Australia, on 12 October 2016 at 9:00 am (WST) for the purpose of transacting the following business.

The attached Explanatory Statement is provided to supply Shareholders with information to enable Shareholders to make an informed decision regarding the Resolutions set out in this Notice. The Explanatory Statement is to be read in conjunction with this Notice.

**AGENDA**

**ORDINARY BUSINESS**

**Financial Statements and Reports**

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2016 together with the declaration of the directors, the directors' report, the remuneration report and the auditor's report.

**RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **non-binding resolution**:

*"That, for the purpose of Section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the remuneration report as contained in the Company's annual financial report for the financial year ended 30 June 2016."*

**Short Explanation:** The Company is required to put a resolution to Shareholders to adopt the remuneration report of the Company at each annual general meeting. This is an advisory resolution only and does not bind the Directors or the Company.

**Voting Exclusion:**

A vote in respect of Resolution 1 must not be cast (in any capacity) by or on behalf of any of the following persons (the "voter"):

- (a) a member of the key management personnel, details of whose remuneration are included in the remuneration report; or
  - (b) a closely related party of such a member.
- However, the voter may cast a vote on Resolution 1 as a proxy if the vote is not cast on behalf of a person described in paragraphs (a) or (b) and either:
- (c) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on Resolution 1; or
  - (d) the voter is the chair of the meeting and the appointment of the chair as proxy:
    - (i) does not specify the way the proxy is to vote on the resolution; and
    - (ii) expressly authorises the chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the key management personnel for the entity.

**RESOLUTION 2 – RE-ELECTION OF DIRECTOR – ANTHONY BARTON**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That, for the purposes of rule 7.1(d) of the Constitution and for all other purposes, Mr Anthony Barton, who retires as a director and, being eligible, offers himself for re-election, is re-elected as a Director."*

**Short Explanation:** Mr Anthony Barton is presented for re-election in accordance with the requirements of the Constitution.

### **RESOLUTION 3 – RATIFICATION OF PLACEMENT SHARES**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That for the purposes of Listing Rule 7.4 and for all other purposes, approval is given to the issue of 30,000,000 Shares on the terms and conditions set out in the Explanatory Statement accompanying this Notice."*

**Short Explanation:** Shareholder approval is sought under Listing Rule 7.4 to the issue of Shares so as to refresh the Company's 15% placement capacity under Listing Rule 7.1.

**Voting exclusion:** The Company will disregard any votes cast on this Resolution by a person who participated in the issue the subject of this Resolution and any associates of such a person. However, the Company will not disregard a vote cast on this Resolution if:

- (a) it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as a proxy for a person who is entitled to vote in accordance with the directions on the proxy form to vote as the proxy decides.

### **RESOLUTION 4 – RATIFICATION OF PLACEMENT SHARES**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That for the purposes of Listing Rule 7.4 and for all other purposes, approval is given to the issue of 48,129,032 Shares on the terms and conditions set out in the Explanatory Statement accompanying this Notice."*

**Short Explanation:** Shareholder approval is sought under Listing Rule 7.4 to the issue of Shares so as to refresh the Company's 15% placement capacity under Listing Rule 7.1.

**Voting exclusion:** The Company will disregard any votes cast on this Resolution by a person who participated in the issue the subject of this Resolution and any associates of such a person. However, the Company will not disregard a vote cast on this Resolution if:

- (a) it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as a proxy for a person who is entitled to vote in accordance with the directions on the proxy form to vote as the proxy decides.

### **RESOLUTION 5 – APPROVAL TO ISSUE OPTIONS TO EMPLOYEES AND CONSULTANTS**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That for the purposes of Listing Rule 7.1 and for all other purposes, approval is given to the issue of up to 7,500,000 Options to employees or consultants of the Company on the terms and conditions set out in the Explanatory Statement accompanying this Notice."*

**Short Explanation:** Shareholder approval is sought under Listing Rule 7.1 to enable the Company to issue the Options to employees and consultants who are not related parties and so as to not utilise the Company's 15% placement capacity.

The Company will disregard any votes cast on this Resolution by a person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity as a Shareholder, if this Resolution is passed and any associate of those persons. However, the Company need not disregard a vote if:

- (a) it is cast by an allottee as proxy for a person who is entitled to vote in accordance with the directors on the proxy form; or
- (b) it is cast by the person chairing the meeting as a proxy for a person who is entitled to vote in accordance with the directions on the proxy form to vote as the proxy decides.

#### **RESOLUTION 6: APPROVAL TO ISSUE OPTIONS TO DIRECTOR – ANTHONY BARTON**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That, for the purposes of Chapter 2E of the Corporations Act, Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue to Anthony Barton or his nominees up to 3,000,000 Options on the terms and conditions set out in the Explanatory Statement accompanying this Notice."*

**Short Explanation:** The Company proposes to issue Options to Anthony Barton, the Chairman of the Company as part of his remuneration package. Shareholder approval is required under the Listing Rules and the Corporations Act.

**Voting exclusion:** The Company will disregard any votes cast on this Resolution by Anthony Barton or any of his associates or any person who may obtain a benefit if this Resolution is passed other than in their capacity as a Shareholder. However, the Company will not disregard a vote cast on this Resolution if it is cast by an allottee as proxy for a person who is entitled to vote in accordance with the directions on the proxy form or it is cast by the Chair of the Meeting as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form to vote as the proxy decides.

**Restriction on proxy voting by key management personnel or closely related parties:** A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
    - (i) a member of the key management personnel for the Company; or
    - (ii) a closely related party of such a member; and
  - (b) the appointment does not specify the way the proxy is to vote on this Resolution.
- However, the above prohibition does not apply if:
- (c) the proxy is the Chair of the Meeting; and
  - (d) the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the key management personnel for the Company.

#### **RESOLUTION 7: APPROVAL TO ISSUE OPTIONS TO DIRECTOR – LEONID CHARUCKYJ**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That, for the purposes of Chapter 2E of the Corporations Act, Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue to Leonid Charuckyj or his nominees up to 3,000,000 Options on the terms and conditions set out in the Explanatory Statement accompanying this Notice."*

**Short Explanation:** The Company proposes to issue Options to Leonid Charuckyj, a Director of the Company, as part of his remuneration package. Shareholder approval is required under the Listing Rules and the Corporations Act.

**Voting exclusion:** The Company will disregard any votes cast on this Resolution by Leonid Charuckyj or any of his associates or any person who may obtain a benefit if this Resolution is passed other than in their capacity as a Shareholder. However, the Company will not disregard a vote cast on this Resolution if it is cast by an allottee as proxy for a person who is entitled to vote in accordance with the directions on the proxy form or it is cast by the Chair of the Meeting as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form to vote as the proxy decides.

**Restriction on proxy voting by key management personnel or closely related parties:** A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
    - (i) a member of the key management personnel for the Company; or
    - (ii) a closely related party of such a member; and
  - (b) the appointment does not specify the way the proxy is to vote on this Resolution.
- However, the above prohibition does not apply if:
- (c) the proxy is the Chair of the Meeting; and
  - (d) the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the key management personnel for the Company.

#### **RESOLUTION 8: APPROVAL TO ISSUE OPTIONS TO DIRECTOR – GREG MACMILLAN**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That, for the purposes of Chapter 2E of the Corporations Act, Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue to Greg MacMillan or his nominees up to 3,000,000 Options on the terms and conditions set out in the Explanatory Statement accompanying this Notice."*

**Short Explanation:** The Company proposes to issue Options to Greg MacMillan, a Director of the Company as part of his remuneration package. Shareholder approval is required under the Listing Rules and the Corporations Act.

**Voting exclusion:** The Company will disregard any votes cast on this Resolution by Greg MacMillan or any of his associates or any person who may obtain a benefit if this Resolution is passed other than in their capacity as a Shareholder. However, the Company will not disregard a vote cast on this Resolution if it is cast by an allottee as proxy for a person who is entitled to vote in accordance with the directions on the proxy form or it is cast by the Chair of the Meeting as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form to vote as the proxy decides.

**Restriction on proxy voting by key management personnel or closely related parties:** A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
    - (i) a member of the key management personnel for the Company; or
    - (ii) a closely related party of such a member; and
  - (b) the appointment does not specify the way the proxy is to vote on this Resolution.
- However, the above prohibition does not apply if:
- (c) the proxy is the Chair of the Meeting; and
  - (d) the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the key management personnel for the Company.

## VOTING AND PROXIES

1. A Shareholder of the Company entitled to attend and vote is entitled to appoint not more than two proxies. Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the Shareholder's voting rights. If the Shareholder appoints two proxies and the appointment do not specify this proportion, each proxy may exercise half of the votes. A proxy need not be a Shareholder of the Company.
2. Where a voting exclusion applies, the Company need not disregard a vote if it is cast by the person who is entitled to vote in accordance with the directions on the proxy form or it is cast by Chair of the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.
3. The Chair of the Meeting will vote undirected proxies for Resolutions 1 to 8 including Resolutions 6, 7 and 8 (Approval to issue Options to Directors) in favour of the Resolutions.

In relation to Resolutions 6, 7 and 8 the proxy form expressly authorises the Chair to exercise the proxy even though the resolutions are connected directly or indirectly with the remuneration of a member of the key management personnel. Any undirected proxies held by a Director, any member of the key management personnel or any of their closely related parties (who are not the Chair of the Meeting) will not be voted on Resolutions 6, 7 and 8. Key management personnel of the Company are the Directors and those other persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Closely related parties are defined in the Corporations Act, and include certain family members, dependants and companies controlled by key management personnel.

4. In accordance with Regulation 7.11.37 of the Corporations Act, the Directors have set a date to determine the identity of those entitled to attend and vote at the Meeting. The date is 10 October 2016 at 4:00 pm (WST).
5. A proxy form is attached. If required it should be completed, signed and returned to the Company's registered office in accordance with the instructions on that form.

By order of the Board



Greg MacMillan  
Company Secretary

Dated: 12 September 2016

## KING RIVER COPPER LIMITED

ACN 100 714 181

### EXPLANATORY STATEMENT

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This Explanatory Statement is intended to provide Shareholders with sufficient information to assess the merits of the Resolutions contained in the Notice.

The Directors recommend that Shareholders read this Explanatory Statement in full before making any decision in relation to the Resolutions.

#### 1. FINANCIAL STATEMENTS AND REPORTS

The business of the Annual General Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2016 together with the declaration of the directors, the directors' report, the remuneration report and the auditor's report.

The Company is not required to provide a hard copy of the Company's annual financial report to Shareholders unless a Shareholder has specifically elected to receive a printed copy.

Whilst the Company will not provide a hard copy of the Company's annual financial report unless specifically requested to do so, Shareholders may view the Company annual financial report on its website at <http://www.kingrivercopper.com.au>.

Shareholders will be offered the following opportunities:

- (a) discuss the Annual Financial Report for the financial period ended 30 June 2016;
- (b) ask questions and make comment on the management of the Company; and
- (c) ask the auditor questions about the conduct of the audit, preparation and content of the auditor's report, the accounting policies adopted by the Company and the independence of the auditor.

#### 2. INFORMATION RELATING TO RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

##### 2.1 General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the Remuneration Report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the Directors or the Company.

The Remuneration Report sets out the Company's remuneration arrangements for the Directors and senior management of the Company. The Remuneration Report is part of the Directors' report contained in the annual financial report of the Company for the financial year ending 30 June 2016.

A reasonable opportunity will be provided for questions about or comments on the Remuneration Report at the Annual General Meeting.



## 2.2 **Voting Consequences**

Under the Corporations Act, if 25% or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive annual general meetings, Shareholders will be required to vote at the second of those annual general meetings on a resolution (a "Spill Resolution") that another general meeting be held within 90 days at which all of the Directors (other than the Managing Director) must go up for re-election.

## 2.3 **Previous voting results**

At the Company's previous annual general meeting, the votes cast against the remuneration report considered at that annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Meeting.

## 2.4 **Proxy restrictions**

If you choose to appoint a proxy, you are encouraged to direct your proxy how to vote on Resolution 1 (Remuneration Report) by marking either "For", "Against" or "Abstain" on the Proxy Form for Resolution 1.

If you appoint a member of the key management personnel whose remuneration details are included in the Remuneration Report (who is not the Chairman) or a closely related party of that member as your proxy, and you do not direct that person on how to vote on this Resolution 1, the proxy cannot exercise your vote and your vote will not be counted in relation to this Resolution 1.

The Chairman intends to vote all undirected proxies in favour of Resolution 1. If the Chairman of the Meeting is appointed as your proxy and you have not specified the way the Chairman is to vote on Resolution 1, by signing and returning the proxy form you are giving express authorisation for the Chairman to vote the proxy in accordance with the Chairman's intention.

Key management personnel of the Company are the Directors and those other persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. The Remuneration Report identifies the Company's key management personnel for the financial year to 30 June 2016. Their closely related parties are defined in the Corporations Act, and include certain of their family members, dependants and companies they control.

## 3. **INFORMATION RELATING TO RESOLUTION 2 – RE-ELECTION OF DIRECTOR – ANTHONY BARTON**

Rule 7.1(d) of the Constitution requires that any Director (other than a managing director) must retire from office at the third annual general meeting after the Director was elected or most recently re-elected, but is eligible for re-election at that annual general meeting. Listing Rule 14.4 provides that a director of an entity (other than a managing director) must not hold office (without re-election) past the third annual general meeting following the director's appointment or 3 years, whichever is the longer.

Anthony Barton was first appointed as a Director on 21 May 2007 and was last re-elected at the 2013 annual general meeting on 7 November 2013. Mr Barton will therefore retire and, being eligible, seeks re-election.

Anthony Barton is the Chairman of the Company. Details of the qualifications and expertise of Mr Barton are set out in the 2016 Annual Report of the Company. Mr Barton does not meet the independence guidelines as a director as prescribed by the ASX Corporate Governance Council in the Corporate Governance Principles and Recommendations (3<sup>rd</sup> edition).

The Board of the Company recommends the re-election of Mr Barton as a Director.

**4. INFORMATION RELATING TO RESOLUTION 3 – RATIFICATION OF PLACEMENT SHARES**

Resolution 3 seeks Shareholder approval in relation to the issue of 30,000,000 Shares issued as a placement on 26 November 2015.

Listing Rule 7.1 provides, subject to certain exceptions, a listed company must not issue equity securities where the number of equity securities proposed to be issued represents more than 15% of the company's shares then on issue without the approval of shareholders.

The Shares issued the subject of this Resolution were issued within the Company's 15% capacity.

Listing Rule 7.4 provides that an issue of securities made without the approval under Listing Rule 7.1 is treated as having been made with approval if the issue of securities did not breach Listing Rule 7.1 (that is, the issue was within the Company's 15% capacity) and shareholders subsequently approve it. The Company now seeks Shareholder approval to ratify the Shares issued and refresh the Company's 15% capacity.

In accordance with Listing Rule 7.5, the following information is provided to Shareholders:

- (a) The number of securities issued was 30,000,000 Shares.
- (b) The Shares were issued at an issue price of 1.0 cents each.
- (c) The Shares are fully paid ordinary shares in the Company and rank equally with the Company's current issued shares.
- (d) The Shares were issued to sophisticated, professional and other investors who are exempt from the disclosure requirements under Chapter 6D of the Corporations Act. None of the subscribers is a related party of the Company.
- (e) The Company used the funds for exploration activities on the Company's projects and for general working capital.

**5. INFORMATION RELATING TO RESOLUTION 4 – RATIFICATION OF PLACEMENT SHARES**

Resolution 4 seeks Shareholder approval in relation to the issue of 48,129,032 Shares issued as a placement on 22 August 2016.

Information about Listing Rules 7.1 and 7.4 are set out in Section 4 above.

In accordance with Listing Rule 7.5, the following information is provided to Shareholders:

- (a) The number of securities issued was 48,129,032 Shares.
- (b) The Shares were issued at an issue price of 0.62 cents each.
- (c) The Shares are fully paid ordinary shares in the Company and rank equally with the Company's current issued shares.

- (d) The Shares were issued to sophisticated, professional and other investors who are exempt from the disclosure requirements under Chapter 6D of the Corporations Act. None of the subscribers is a related party of the Company.
- (e) The Company intends to use the funds for exploration activities on the Company's projects and for general working capital.

## **6. INFORMATION RELATING TO RESOLUTION 5 –APPROVAL TO ISSUE OPTIONS TO EMPLOYEES AND CONSULTANTS**

Resolution 5 seeks Shareholder approval to issue up to 7,500,000 Options as an incentive to employee and consultants who are not related parties.

The Company is seeking approval under Listing Rule 7.1 to issue the Options without utilising the Company's 15% placement capacity. Information about Listing Rule 7.1 is set out in Section 4 above.

In accordance with Listing Rule 7.3, the following information is provided to Shareholders:

- (a) The maximum number of securities the Company will issue is 7,500,000 Options.
- (b) The Options will be granted no later than three months after the date of this Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules).
- (c) The Options will be issued for no consideration.
- (d) The Options will be issued to employees and consultants of the Company, none of which will be a related party of the Company.
- (e) The exercise price will be 50% above the closing price of the Shares traded on the ASX as at the day of the Meeting or 6 cents, whichever is the greater and the expiry date is 30 November 2018. The full terms of the Options are set out in Annexure 1.
- (f) No funds will be raised by the issue of the Options.
- (g) It is intended that the Options will be issued on one date.

## **7. RESOLUTIONS 6, 7 AND 8 – APPROVAL TO ISSUE OPTIONS TO THE DIRECTORS**

Resolutions 6, 7 and 8 seek Shareholder approval so that the Company may issue Options to each of the Directors – Anthony Barton, Leonid Charuckyj and Greg MacMillan.

Shareholder approval is required for the purposes of Chapter 2E of the Corporations Act and Listing Rule 10.11 because Anthony Barton, Leonid Charuckyj and Greg MacMillan as Directors are related parties of the Company.

### **7.1 Chapter 2E of the Corporations Act - Related Party transaction**

The proposed issue of Options to the Directors is a financial benefit to a related party requiring Shareholder approval under the Corporations Act in the absence of a specified exception applying.

The following information is provided to Shareholders in relation to Resolutions 6, 7 and 8 for the purposes of the Corporations Act.

- (a) **The related party to whom the proposed Resolutions would permit the financial benefit to be given**

The related parties are Anthony Barton (Resolution 6), Leonid Charuckyj (Resolution 7) and Greg MacMillan (Resolution 8) or their nominees.

**(b) The nature of the financial benefit**

The proposed financial benefit to be given is the issue of up to:

- 3,000,000 Options to Anthony Barton (or his nominees);
- 3,000,000 Options to Leonid Charuckyj (or his nominees); and
- 3,000,000 Options to Greg MacMillan (or his nominees).

The terms of the Options are set out in Annexure 1.

**(c) Directors recommendation and basis of financial benefit**

The Board currently consists of Anthony Barton (Non-Executive Chairman), Leonid Charuckyj (Non-Executive Director) and Greg MacMillan (Non-Executive Director).

By Resolutions 6, 7 and 8 the Company is proposing to issue Options to each of the Directors. In each case, the number of Options to be issued and the terms of the Options was negotiated by the Directors independent of the particular Director to be issued the Options.

The Options under Resolutions 6, 7 and 8 will be issued to the Directors (and/or their nominees) to align the long term goals of the Directors with that of Shareholders and to incentivise Directors to provide ongoing dedicated services to the Company. These Options are intended to provide remuneration to the Directors (and/or their nominees) that is linked to the performance of the Company. The benefit will only be received from the Options upon the Company's Share price exceeding the exercise price of the Options and thereby warranting their exercise.

Under the Company's current circumstances, the Directors consider that the incentives noted above, represented by the issue of these Options, are a cost effective and efficient reward and incentive to be provided to the Directors by the Company, as opposed to alternative forms of incentive, such as the payment of cash compensation. In addition, the Directors consider it prudent to make payment by way of the Options so as to preserve the cash reserves of the Company.

The independent Directors in each case (being the Directors that are not the subject of the particular Resolution) consider that the quantity of Options together with the terms of the Options in each case constitute an appropriate number to adequately incentivise the Director in light of that Director's skill and experience and their current remuneration as detailed below.

The Company acknowledges that the issue of the Options to Anthony Barton, Leonid Charuckyj and Greg MacMillan as non-executive Directors may be contrary to guidelines for non-executive remuneration in recommendation 8.2 of the ASX Corporate Governance Principles and Recommendations. However, the Board considers the issue of the Options to be reasonable in the circumstances given the Company's size and stage of development and the importance of maintaining the Company's cash reserves.

The Company proposes that the 9,000,000 Options in total that will be issued will have an exercise price that is 50% above the closing price of the Shares traded on the ASX as at the day of the Meeting or 6 cents, whichever is the greater, and the expiry date is 30 November 2018. The full terms of the Options are set out in Annexure 1.

The independent Directors in each case recommend that Shareholders vote in favour of the Resolutions.

Anthony Barton abstains from making a recommendation to Shareholders on Resolution 6 as he has a material personal interest in the outcome as the recipient of the Options.

Leonid Charuckyj abstains from making a recommendation to Shareholders on Resolution 7 as he has a material personal interest in the outcome as the recipient of the Options.

Greg MacMillan abstains from making a recommendation to Shareholders on Resolution 8 as he has a material personal interest in the outcome as the recipient of the Options.

**(d) Dilution**

The passing of Resolutions 6, 7 and 8 would have the effect of granting the Directors (or their nominees) a total of 9,000,000 Options.

If any of the Options are exercised into Shares, the effect would be to dilute the shareholding of existing Shareholders. If all of 9,000,000 Options were exercised into Shares, the effect would be to dilute the shareholding of the existing Shareholders by approximately 1.5% (based on the total current number of Shares on issue, which is 599,042,586 Shares).

The actual dilution will depend on the extent of further equity raised by the Company and whether any of the Options are exercised.

**(e) Remuneration of the Directors**

The total remuneration arrangements for each of the Directors are set out below.

The current remuneration package received by Anthony Barton is \$40,000 per annum plus statutory superannuation.

The current remuneration package received by Leonid Charuckyj is \$40,000 per annum plus statutory superannuation.

The current remuneration package received by Greg MacMillan is \$40,000 per annum plus statutory superannuation.

**(f) Existing relevant interests**

At the date of this Notice, the Directors and their associates have the following relevant interest in securities of the Company.

	<b>Shares</b>	<b>Options</b>
Anthony Barton <sup>1</sup>	85,660,680	14,548,519
Leonid Charuckyj <sup>2</sup>	3,882,835	1,164,850
Greg MacMillan <sup>3</sup>	34,856,162	5,292,421

<sup>1</sup> 21,817,018 of the shares and 5,200,001 options (listed options exercise price \$0.10 expiry date 30 June 2018) 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 and 4,039,652 of the options (listed options exercise price \$0.10 expiry date 30 June 2018) 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. 189,856,776 of the shares and 1,457,879 options (listed options exercise price \$0.10 expiry date 30 June 2018) are held by Inglewood Lodge Pty Ltd of which Mr Barton is a director and a beneficiary. 17,041,724 of the shares and 3,380,411 options (listed options exercise price \$0.10 expiry date 30 June 2018) are held by Barton & Barton Pty Ltd of which Mr Barton is a director. 3,485,1801 of the shares and 400,000 options (listed options exercise price \$0.10 expiry date 30 June 2018) are held by Universal Oil (Australia) Pty Ltd of which Mr Barton is a director and a beneficiary. 2,387,097 of the shares and 70,576 options (listed options exercise price \$0.10 expiry date 30 June 2018) are held by Harvey Springs Estate Pty Ltd of which Mr Barton is a director and a beneficiary. 600,000 of the options (unlisted options exercise price \$0.20 expiry date 30 June 2019) are held by Mr Barton.

<sup>2</sup> 2,558,801 of the shares and 767,640 options (listed options exercise price \$0.10 expiry date 30 June 2018) 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. 1,173,335 of the shares and 352,000 options (listed options exercise price \$0.10 expiry date 30 June 2018) are held by Temtor Pty Ltd of which Mr Charuckyj is a director and beneficiary. 150,699 of the shares and 45,210 options (listed options exercise price \$0.10 expiry date 30 June 2018) are held by Mr L Charuckyj. 300,000 of the options (unlisted options exercise price \$0.20 expiry date 30 June 2019) are held by Mr Charuckyj.

<sup>3</sup> 12,783,277 of the shares and 1,252,769 of the options (listed options exercise price \$0.10 expiry date 30 June 2018) 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 and 4,039,652 of the options (listed options exercise price \$0.10 expiry date 30 June 2018) are held by Australian Heritage Group Pty Ltd as trustee for the Australian Heritage Trust of which Mr MacMillan is a director and beneficiary. 300,000 of the options (unlisted options exercise price \$0.20 expiry date 30 June 2019) are held by Mr MacMillan.

**(g) Trading history**

The following table gives details of the highest, lowest and the latest closing market price of the Company's Shares trading on the ASX over the last 12 months.

	<b>Date</b>	<b>Closing price</b>
Highest price	11 November 2015	3.2 cents
Lowest price	30 June 2016	0.5 cents
Latest price	31 August 2016	1.8 cents

**(h) Valuation of the Options**

The Options will not be quoted on ASX.

The Company has valued the Options to be granted to the Directors or their nominees using the Black and Scholes Option Pricing model.

The following assumptions have been made regarding the inputs required for the option pricing model:

- Underlying share price of 2 cents based on the closing market price on 30 August 2016.
- Dividend yield of nil as the Company has not forecast any future dividend payments.
- Risk free rate of 1.4% being the Reserve Bank of Australia cash rate at the valuation date of 30 August 2016.
- Volatility rate of 163% based on the average share trading volatility of the Company on the ASX over the last 24 months.
- No discount rate has been applied for the lack of marketability even though the options will not be listed on the ASX.
- Expiry date of 30 November 2018.
- The exercise price is not known as at the date of this Notice. It will be determined by a formula, which is a 50% premium to the closing price of Shares on the day of the Meeting or 6 cents, whichever is the greater. To value the Options, a range of exercise prices have been used below based upon an assumed share price at the time of issue.

Based on the above assumptions the Options to be granted to the Directors under Resolutions 6, 7 and 8 have been valued as follows:

<b>Assumed exercise price (being the greater of 50% premium to closing Share price on day of the Meeting or 6 cents)</b>	<b>Value per Option</b>
6 cents	1.4 cents
7.5 cents	1.3 cents
9 cents	1.2 cents

The value of the Options to be granted to each Director are detailed below.

<b>Total value of Options (\$)</b>			
	<b>Assumed exercise price 6 cents</b>	<b>Assumed exercise price 7.5 cents</b>	<b>Assumed exercise price 9 cents</b>
Anthony Barton	\$42,000	\$39,000	\$36,000
Leonid Charuckyj	\$42,000	\$39,000	\$36,000
Greg MacMillan	\$42,000	\$39,000	\$36,000

(i) **Other Information**

The Directors do not consider that there are opportunity costs to the Company or benefits foregone by the Company in granting the Options.

For accounting purposes, the Options will be recognised as an expense.

The Directors are not aware of any other information that is reasonably required by Shareholders to allow them to make a decision as to whether it is in the best interests of the Company to pass Resolutions 6, 7 and 8.

**7.2 Listing Rule 10.11**

Listing Rule 10.11 requires a company to obtain shareholder approval prior to the issue of securities to a related party. Anthony Barton, Leonid Churackyj and Greg MacMillan are Directors and as such are related parties of the Company. If approval is given under Listing Rule 10.11, approval is not required under Listing Rule 7.1 (and the issue of the Shares will not be included in the 15% placement capacity calculation).

In accordance with Listing Rule 10.13, the following information is provided to Shareholders:

- (a) The Options will be granted to Anthony Barton (Resolution 6), Leonid Churackyj (Resolution 7) and Greg MacMillan (Resolution 8) or their nominees.
- (b) The maximum number of securities the Company will grant is:
  - 3,000,000 Options to Anthony Barton (or his nominees);
  - 3,000,000 Options to Leonid Churackyj (or his nominees); and
  - 3,000,000 Options to Greg MacMillan (or his nominees).
- (c) The Options will be granted no later than 1 month after the date of this Meeting (or a later date to the extent permitted by any ASX waiver or modification of the Listing Rules).
- (d) Anthony Barton, Leonid Churackyj and Greg MacMillan as Directors are related parties.
- (e) The Options will be granted for nil consideration. The exercise price of the Options will be set as a 50% premium to the closing price of Shares on the day of the Meeting or 6 cents, whichever is the greater. The expiry date is 30 November 2018. The full terms of the Options are set out in Annexure 1.
- (f) No funds will be raised by the issue of the Options.



## GLOSSARY

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In the Notice and this Explanatory Statement the following expressions have the following meanings:

<b>ASIC</b>	the Australian Securities and Investments Commission.
<b>ASX</b>	ASX Limited (ACN 008 624 691).
<b>Board</b>	the Board of Directors of the Company.
<b>Chair</b>	the person appointed to chair the Meeting convened by this Notice.
<b>Company</b>	King River Copper Limited (ACN 100 714 181).
<b>Constitution</b>	the constitution of the Company.
<b>Corporations Act</b>	the Corporations Act 2001 (Cth).
<b>Directors</b>	Directors of the Company from time to time.
<b>Explanatory Statement</b>	this Explanatory Statement.
<b>Listing Rules</b>	the listing rules of the ASX.
<b>Meeting</b>	the meeting convened by this Notice.
<b>Notice</b>	notice of meeting that accompanies this Explanatory Statement.
<b>Option</b>	an option to subscribe for a Share.
<b>Resolution</b>	a resolution referred to in the Notice.
<b>Share</b>	a fully paid ordinary share in the capital of the Company.
<b>Shareholder</b>	a registered holder of Shares in the Company.
<b>WST</b>	Western Standard Time, Perth, Western Australia.
<b>\$</b>	Australian dollars unless otherwise stated.

## ANNEXURE 1

### TERMS OF OPTIONS TO BE ISSUED TO EMPLOYEES, CONSULTANTS AND DIRECTORS (RESOLUTIONS 5, 6, 7 and 8)

Each Option entitles the holder to subscribe for Shares on the following terms:

#### 1. General

- 1.1 No monies will be payable for the issue of the Options.
- 1.2 A certificate will be issued for the Options.
- 1.3 The Options shall expire at 5 pm on 30 November 2018 ("**Expiry Date**").
- 1.4 Each Option shall carry the right to subscribe for one fully paid ordinary share in the Company ("**Share**").
- 1.5 Options may be exercised in whole or in part in parcels. An exercise of only some Options shall not affect the rights of the Optionholder, to the balance of the Options held by the Optionholder.
- 1.6 The Shares allotted on the exercise of the Options shall be issued at an exercise price of 50% above the closing price of the Shares traded on the ASX as at the day of shareholder approval or 6 cents, whichever is the greater ("**Exercise Price**").
- 1.7 The Exercise Price for the Options being exercised shall be payable in full on exercise of those Options.
- 1.8 The Options may be exercised by the Optionholder at any time prior to the Expiry Date.
- 1.9 The Options issued to each holder of the Options will vest on issue.
- 1.10 Options are only exercisable by the delivery to the registered office of the Company of a notice in writing. The notice must specify the number of Options being exercised and must be accompanied by:
  - (a) the Option certificate for those Options, for cancellation by the Company; and
  - (b) payment for the Exercise Price for each Share to be issued on exercise of the Options specified in the notice.

The notice is only effective (and only becomes effective) when the Company has received value for the full amount of the Exercise Price (for example, if the Exercise Price is paid by cheque, by clearance of that cheque) by the Expiry Date.
- 1.11 The Company shall allot the resultant Shares and deliver the holding statements within 10 Business Days of the exercise of the Options.
- 1.12 Options may be exercised into Shares to be held in the name of the Optionholder's nominee.
- 1.13 The Options shall not be listed for Official Quotation.
- 1.14 Subject to the Corporations Act, Listing Rules and the Constitution of the Company, the Options are freely transferable.

- 1.15 Shares allotted pursuant to an exercise of Options shall rank, from the date of allotment, equally with existing Shares of the Company in all respects.
- 1.16 The Company shall, in accordance with the Listing Rules, make application to have Shares allotted pursuant to an exercise of Options listed for Official Quotation, if the Company is listed on the ASX at the time.
- 1.17 The Optionholder is not entitled to participate in any new issue of securities to existing holders of Shares in the Company unless the Optionholder exercises the Options before the record date for the determination of entitlements to the new issue of securities and participates as a result of being holders of Shares. The Company must give the Optionholder, in accordance with the Listing Rules, notice of any new issue of securities before the record date for determining entitlements to the new issue.
- 1.18 If there is a bonus share issue ("**Bonus Issue**") to the holders of Shares, the number of Shares over which an Option is exercisable will be increased by the number of Shares which the Optionholder would have received if the Option had been exercised before the record date for the Bonus Issue ("**Bonus Shares**"). The Bonus Shares must be paid up by the Company out of the profits or reserves (as the case may be) in the same manner as was applied in the Bonus Issue and upon issue rank pari passu in all respects with the other shares of that class on issue at the date of issue of the Bonus Shares.
- 1.19 If there is a pro rata issue (other than a Bonus Issue) to the holders of Shares during the currency of, and prior to the exercise of any Options, the Exercise Price of an Option will be adjusted in the manner provided for in the Listing Rules (whether or not the Company is listed on the ASX at the time).
- 1.20 If, prior to the expiry of any Options, there is a reorganisation of the issued capital of the Company, then the rights of Optionholder (including the number of Options to which each a Optionholder is entitled and the Exercise Price) is changed to the extent necessary to comply with the Listing Rules applying to a reorganisation of capital at the time of the reorganisation (whether or not the Company is listed on the ASX at the time).
- 1.21 The Options will not give any right to participate in dividends until Shares are allotted pursuant to the exercise of the relevant Options.

## 2. **Lapse of Options**

- 2.1 Options not validly exercised on or before the Expiry Date will automatically lapse.
- 2.2 If at any time prior to the Expiry Date an Optionholder dies, the deceased Optionholder's Legal Personal Representative may:
  - (a) elect to be registered as the new holder of the deceased Optionholder's Options;
  - (b) whether or not he or she becomes so registered, exercise those Options in accordance with and subject to these terms as if he were the Optionholder of them; and
  - (c) if the deceased Optionholder had already given the Company a notice of exercise of his or her Options, pay the Exercise Price in respect of those Options.

# KING RIVER COPPER LIMITED

ACN 100 714 181

## PROXY FORM

### APPOINTMENT OF PROXY

King River Copper Limited

I/We

being a Shareholder of King River Copper Limited entitled to attend and vote at the Annual General Meeting, hereby

Appoint

#### Name of Proxy

or failing the person so named or, if no person is named, the Chairman of the Meeting or the Chairman's nominee, to vote in accordance with the following directions or, if no directions have been given, as the proxy sees fit at the Annual General Meeting to be held at 254 Adelaide Tce, Perth, Western Australia on 12 October 2016 at 9.00am (WST) and at any adjournment thereof.

#### Voting on Business of the General Meeting

		For	Against	Abstain
Resolution 1	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-election of Director – Anthony Barton	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Ratification of placement shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Ratification of placement shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Approval to issue options to employees and consultants	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Approval to issue options to Anthony Barton	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Approval to issue options to Leonid Charuckyj	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8	Approval to issue options to Greg MacMillan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Important note for Resolutions 6, 7 and 8** If you appoint a member of the Company's key management personnel (other than the Chair of the Meeting) or a closely related party of a member of the Company's key management personnel as your proxy, and you do not direct your proxy how to vote in respect of Resolutions 6, 7 and 8, your proxy will NOT cast your vote on the resolution and your votes will not be counted.

If you appoint the Chair of the Meeting as your proxy (or the Chair of the Meeting becomes your proxy by default) and you do not direct your proxy how to vote in respect of Resolutions 6, 7 and 8, your vote will be cast in favour of Resolutions 6, 7 and 8, and you hereby expressly authorise the chair of the Meeting to exercise your proxy even though Resolutions 6, 7 and 8 are connected directly or indirectly with the remuneration of the members of the Company's key management personnel.

#### Important Note

If the Chair of the Meeting is your proxy (or becomes your proxy by default) and you do not mark a voting box for any of the items of business, then by signing and returning this Proxy Form you will be expressly authorising the Chair to exercise your proxy in respect of the relevant items. **The Chair of the Meeting intends to vote undirected proxies in favour of each item of business.** If you appoint the Chair of the Meeting as your proxy, you can direct him/her to vote for or against or to abstain from voting on the items by marking the appropriate box below.

If you mark the abstain box for a particular item, you are directing your proxy not to vote on that item on a show of hands or on a poll and that your Shares are not to be counted in computing the required majority on a poll.

If two proxies are being appointed, the proportion of voting rights this proxy represents is \_\_\_\_\_ %

Please return this Proxy Form to the Company Secretary, King River Copper Limited, by delivery, post, facsimile or email in accordance with the accompanying instructions.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2016.

By:

Individuals and joint holders

Companies (affix common seal if appropriate)

Signature

Director

Signature

Director/Secretary

Signature

Sole Director and Sole Secretary

**KING RIVER COPPER LIMITED**  
**ACN 100 714 181**

**Instructions for Completing Appointment of Proxy Form**

1. In accordance with section 249L of the Corporations Act, a shareholder of the Company who is entitled to attend and cast two or more votes at a general meeting of shareholders is entitled to appoint two proxies. Where more than one proxy is appointed, such proxy must be allocated a proportion of the member's voting rights. If the shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes.
2. A duly appointed proxy need not be a member of the Company. In the case of joint holders, all must sign.
3. Corporate shareholders should comply with the execution requirements set out on the Proxy Form or otherwise with the provisions of section 127 of the Corporations Act. Section 127 of the Corporations Act provides that a company may execute a document without using its common seal if the document is signed by:
  - 2 directors of the company;
  - a director and a company secretary of the company; or
  - for a proprietary company that has a sole director who is also the sole company secretary – that director.

For the Company to rely on the assumptions set out in sections 129(5) and (6) of the Corporations Act, a document must appear to have been executed in accordance with sections 127(1) or (2). This effectively means that the status of the persons signing the document or witnessing the affixing of the seal must be set out and conform to the requirements of sections 127(1) or (2) as applicable. In particular, a person who witnesses the affixing of a common seal and who is the sole director and sole company secretary of the company must state that next to his or her signature.

4. Completion of a Proxy Form will not prevent individual shareholders from attending the Meeting in person if they wish. Where a shareholder completes and lodges a valid Proxy Form and attends the Meeting in person, then the proxy's authority to speak and vote for that shareholder is suspended while the shareholder is present at the Meeting.
5. Where a Proxy Form or form of appointment of corporate representative is lodged and is executed under power of attorney, the power of attorney must be lodged in like manner as this proxy.
6. In accordance with section 250BA of the Corporations Act the Company specifies the following for the purposes of receipt of proxy appointments:

Registered Office: First Floor, 254 Adelaide Tce, Perth, Western Australia, 6000

Fax Number: +61 (8) 9325 8088

Postal Address: PO Box Z5518, Perth WA 6831

Email: [gmacmillan@australianheritage.com.au](mailto:gmacmillan@australianheritage.com.au)

by no later than 48 hours prior to the time of commencement of the Meeting.